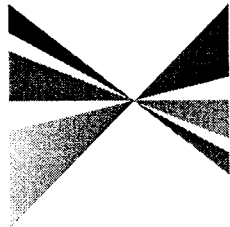


SOUTHERN CALIFORNIA



**ASSOCIATION OF
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

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Riverside County: Marion Ashley, Riverside County • Thomas Buckley, Lake Elsinore • Bonnie Flickinger, Moreno Valley • Ron Lloveridge, Riverside • Greg Pettis, Cathedral City • Ron Roberts, Temecula

San Bernardino County: Paul Biane, San Bernardino County • Bill Alexander, Rancho Cucamonga • Edward Burgnon, Town of Apple Valley • Lawrence Dale, Barstow • Lee Ann Garcia, Grand Terrace • Susan Longville, San Bernardino • Gary Ovitt, Ontario • Deborah Robertson, Rialto

Ventura County: Judy Mikels, Ventura County • Glen Becerra, Simi Valley • Carl Morehouse, San Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Charles Smith, Orange County

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Bill Davis, Simi Valley

MEETING OF THE

REGIONAL COUNCIL

**Thursday, August 5, 2004
12:30 p.m. – 2:00 p.m.**

**SCAG Offices
818 W. 7th Street, 12th Floor
San Bernardino A & B Conf Room
Los Angeles, California 90017**

213.236.1800

Agenda & Map Enclosed

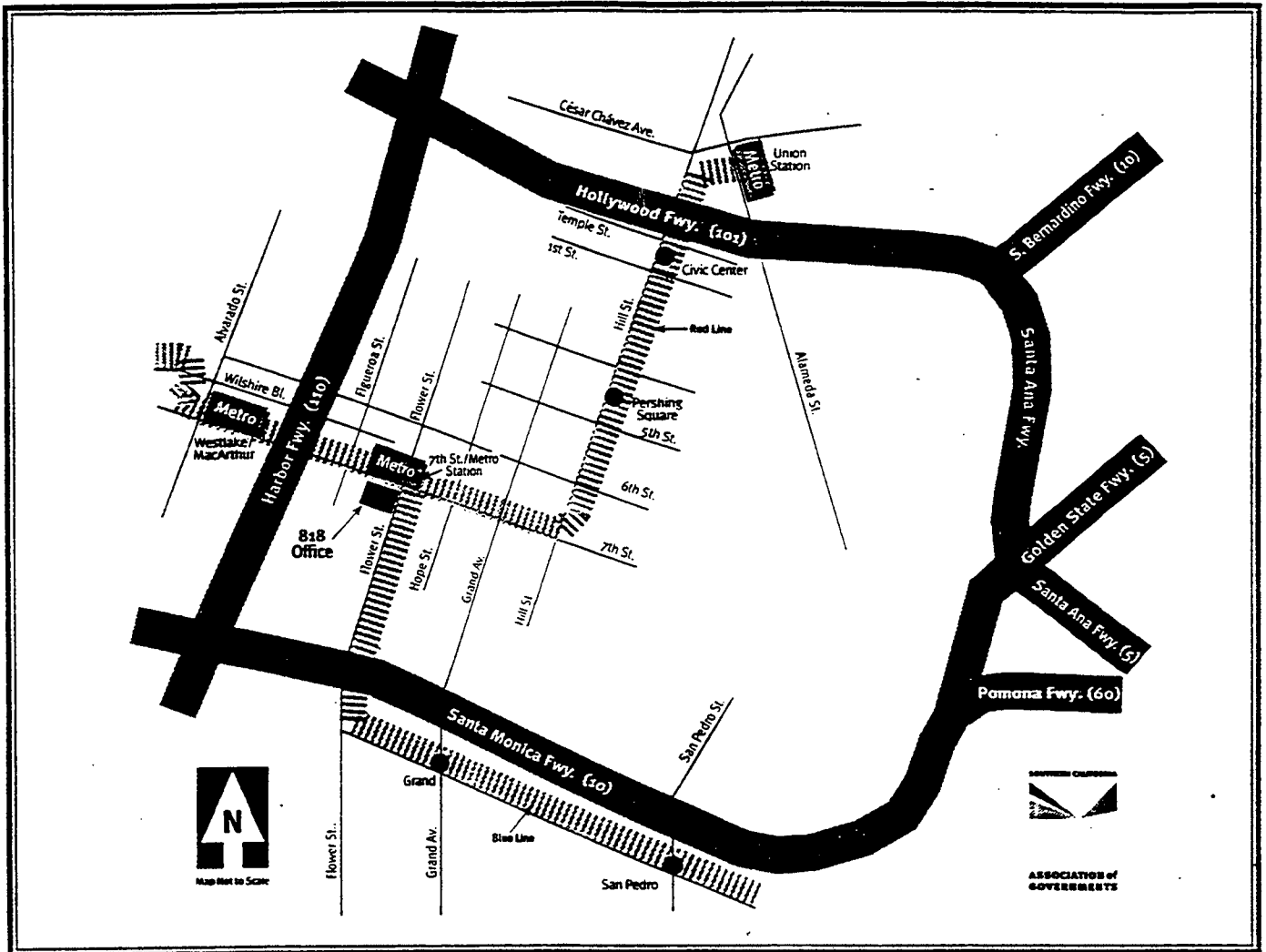
If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Shelia Stewart at 213.236.1868 or via email stewart@scag.ca.gov

**Agendas and Minutes for Regional Council meeting are also available at:
www.scag.ca.gov**

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PCDOCS #82125

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To Get to the 818 Building

- Harbor Freeway (110) Exit on 6th Street, turn right on Flower.

By Transit...

- SCAG is accessible by all Metrolink Service to Union Station. Transfer to the Metro Red Line (free transfer with Metrolink ticket) and get off at 7th and Metro Station. Metro Line Service to SCAG is also available from Alvarado Station.
- SCAG is accessible by the Blue Line. Get off at 7th and Metro Station.
- SCAG is served directly by DASH Routes A and B. Bus Service via MTA, Foothill, Santa Monica, Orange County is available to downtown. Call 1-800-Commute for details.

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Rev. 12/30/97

REGIONAL COUNCIL

AGENDA

	<i>PAGE #</i>	<i>TIME</i>
1.0 <u>CALL TO ORDER & PLEDGE OF ALLEGIANCE</u>		
	Councilmember Roberts, President	
MEETING FOCUS: Regional Transportation Improvement Program		
2.0 <u>PUBLIC COMMENT PERIOD</u> – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Council, must fill out and present a speaker's card to the Exec. Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The President may limit the total time for all comments to twenty minutes.		
3.0 <u>CONSENT CALENDAR</u>		
3.1 <u>Approval Items</u>		
3.1.1 <u>Approve Minutes of June 3, 2004 Attachment</u>	01	
3.1.2 <u>Contracts Attachment</u>	10	
• Fregonese Calthorpe	11	
• David Evans & Associates	14	
• AG/HP (Touchstone Lake, LLC (lease renewal)	16	
• The Patina Group	18	
• Project Manager for IT Implementation (TBD)		
3.1.3 <u>Approval 2004-05 Membership Dues for CALCOG Attachment</u>	19	
3.1.4 <u>Approve Draft Disadvantage Business Enterprise Goal and Methodology for Federal FY 2004-2005 Attachment</u>	22	
3.1.5 <u>Approve Co-sponsorship of UCLA's Extension Public Program 2004 Arrowhead Symposium Attachment</u>	28	
3.1.6 <u>Approve Co-Sponsorship of Rail-Volution Conference to be held on Sept 18-22. Attachment</u>	35	



REGIONAL COUNCIL

AGENDA

	PAGE #	TIME
<u>Approval Items – Cont'd</u>		
3.1.7 <u>Co-Sponsorship of So. California Leadership Class XV Tuition, Luncheon & Graduation Attachment</u>	39	
3.1.8 <u>Authorize Foreign Travel for Ron Roberts & Mark Pisano to Make a Presentation at a Planning Symposium in Seoul, Korea in October 2004 at the request of the Seoul Development Institute Attachment</u>	40	
3.1.9 <u>Approval of Membership Dues for Coalition for America's Gateways & Trade Corridors for 2004 Attachment</u>	45	
3.1.10 <u>Approval to Sponsor 3rd Annual Inland Empire Transportation & Logistics Summit Attachment</u>	48	
3.1.11 <u>Ratify SCAG Committees and Task Force Attachment</u>		
3.2 <u>Receive & File</u>		
3.2.1 <u>FY 2004-2005 OWP Administrative Amendment Attachment</u>	59	
3.2.2 <u>Contracts & PO between \$5,000 - \$25,000 Attachment</u>	60	
3.2.3 <u>Conflict of Interest Listing Attachment</u>	62	
3.2.4 <u>SCAG Legislative Matrix Attachment</u>	63	
3.3 <u>PRESIDENT'S REPORT</u>		
3.3.1 <u>Announcement of Chair & Vice Chair of the Administration Committee</u>		
3.3.2 <u>Appointments to Committee & Task Forces</u>		

Aug 5, 04 RC Agenda
DOCS# 101040 - Stewart



REGIONAL COUNCIL

AGENDA

	PAGE #	TIME
3.4 <u>EXECUTIVE DIRECTOR'S REPORT</u>		
4.0 <u>ACTION ITEMS</u>		
4.1 <u>Administration Committee Report</u>	Chair	
4.1.1 <u>FY 2005-2006 Overall Work Program (OWP) Schedule Attachment</u>	76	
Recommended Action: Approve		
4.1.2 <u>Authorize Executive Director to terminate TranStar License Agreement with the Partnership and enter into appropriate agreements including a MOU with the CTCs to finally dispose of the Rideshare and TranStar programs and assets Attachment</u>	78	
Recommended Action: Approve		
4.2 <u>Transportation & Communications Committee (TCC) Report</u>	Mayor Garcia Chair	
4.2.1 <u>Draft 2004 Regional Transportation Improvement Program (RTIP) Attachment</u>	85	
Recommended Action: Approve staff recommendation.		
4.3 <u>Energy & Environment Committee (EEC) Report</u>	Supervisor Kuiper , Chair	
4.3.1 <u>Resolution on Building Energy Efficiency Attachment</u>	88	
Recommended Action: Adopt Resolution #04-453-1 to encourage adoption of Local Building Energy Efficiency Ordinances.		

Aug 5, 04 RC Agenda
DOCS# 101040 - Stewart



REGIONAL COUNCIL

AGENDA

		PAGE #	TIME
4.4	<u>Community & Human Development Committee (CEHD) Report</u>	Councilmember Robertson, Chair	
4.4.1	<u>Victor Valley Redevelopment Agency Housing Setaside Review Attachment</u>		121
	State law requires SCAG to review findings when a local redevelopment agency defers housing setaside funds as has been requested by the Victor Valley Economic Development Agency.		
	Recommended Action: Adopt Resolution 04-453-2 confirming the findings.		
4.5	<u>Communication Task Force Report</u>	Councilmember Proo, Chair	
4.5.1	<u>Revised Communications Strategy Attachment</u>		168
	Recommended Action: Approve		
5.0	<u>INFORMATION ITEMS</u>		
5.1	<u>Monthly Financial Report Attachment</u>	Heather Copp CFO	182
5.2	<u>Report on Professional Pathways</u>	Debbie Dillon Supervisor, HR	
5.3	<u>Federal & State Legislative Update Attachment</u>		
	• Reauthorization of TEA-21 & Federal Appropriations		198
	• Innovative Financing & Project Delivery		201
	• Tribal Gaming Compacts & Prop 68 & 70		204



REGIONAL COUNCIL

AGENDA

- | | | <i>PAGE #</i> | <i>TIME</i> |
|------|---|---------------|-------------|
| 6.0 | <u>FUTURE AGENDA ITEMS</u> | | |
| | Any committee members desiring to place items on a future agenda may make such request. Comments should be limited to three minutes. | | |
| 7.0 | <u>LEGAL COUNSEL REPORT</u> | | |
| 7.1 | <u>Closed Session</u> | | |
| | <ul style="list-style-type: none">• <u>HDR Appeal</u>

Conference with Legal Counsel – anticipated litigation
Significant exposure to litigation pursuant to California
Government Code Subdivision C §54956.9
(one potential case)
• <u>SCAG v. HCD & BT&H</u>
Conference with Legal Counsel - existing litigation to be
heard in closed session in pursuant to California
Government Code Section §54956.9(a)
• <u>Morrison v. SCAG</u>
Conference with Legal Counsel Government Code
section 54956.9(a) Morrison v. Southern California
Association of Governments et al. Superior Court,
Los Angeles County, Case No. BC 312066 | | |
| 9.0 | <u>ANNOUNCEMENTS</u> | | |
| | The E Region (NARC) Newsletter was emailed to all members. Additional copies will be available at the meeting. | | |
| 10.0 | <u>ADJOURNMENT</u> | | |
| | The next meeting is scheduled for September 2, 2004 at SCAG Offices downtown Los Angeles. | | |

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

June 3, 2004

MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Regional Council of the Southern California Association of Governments held its meeting at the Temecula Creek Inn, Temecula, California. The meeting was called to order by the President Councilmember Ron Roberts, City of Temecula. There was a quorum.

Members Present

Councilmember Ron Roberts, Temecula, President	District 5
Supervisor Hank Kuiper, Imperial County, 1st VP	
Mayor Toni Young, Port Hueneme, 2 nd VP	District 45
Councilmember Bev Perry, Brea, Immediate Past President	District 22
Supervisor Marion Ashley, Riverside County	
Supervisor Paul Biane, San Bernardino County	
Supervisor Chris Norby, Orange County	
Councilmember Bonnie Flickinger, Moreno Valley	District 3
Mayor Ron Loveridge, Riverside	District 4
Mayor Lee Ann Garcia, Grand Terrace	District 6
Councilmember Deborah Robertson, Rialto	District 8
Mayor Bill Alexander, Rancho Cucamonga	District 9
Mayor Gary Ovitt, Ontario	District 10
Mayor Lawrence Dale, Barstow	District 11
Councilmember Richard Dixon, Lake Forest	District 13
Councilmember Tod Ridgeway, Newport Beach	District 14
Councilmember Lou Bone, Tustin	District 17
Councilmember Ron Bates, Los Alamitos	District 20
Councilmember Art Brown, Buena Park	District 21
Councilmember Paul Bowlen, Cerritos	District 23
Councilmember Gene Daniels, Paramount	District 24
Councilmember Keith McCarthy, Downey	District 25
Councilmember Frank Gurule, Cudahy	District 27
Councilmember Tonia Reyes-Uranga, Long Beach	District 30
Councilmember Margaret Clark, Rosemead	District 32
Councilmember Paul Talbot, Alhambra	District 34
Councilmember Harry Baldwin, San Gabriel	District 35
Councilmember Llewellyn Miller, Claremont	District 38
Councilmember Paul Nowatka, Torrance	District 39
Councilmember Jim Aldinger, Manhattan Beach	District 40
Councilmember Pam O'Connor, Santa Monica	District 41
Councilmember Dennis Washburn, Calabasas	District 44

Councilmember Thomas Buckley, Lake Elsinore
Councilmember Debbie Cook, Huntington Beach
Councilmember Ted Burgnon, Town of Apple Valley
Councilmember Robin Lowe, Hemet
Supervisor Charles Smith, County of Orange

District 63
District 64
District 65
RCTC
OCTA

Members Not Present

Supervisor Judy Mikels, Ventura County
Supervisor Zev Yaroslavsky, LA County
Supervisor Yvonne Burke, LA County
Councilmember Jo Shields, Brawley
Councilmember Greg Pettis, Cathedral City
Councilmember Susan Longville, San Bernardino
Councilmember Cathryn De Young, Laguna Niguel
Councilmember Alta Duke, La Palma
Councilmember Richard Chavez, Anaheim
Councilmember Isadore Hall, Compton
Councilmember Judy Dunlap, Inglewood
Councilmember Bonnie Lowenthal, Long Beach
Councilmember Dick Stanford, Azusa
Councilmember Sid Tyler, Pasadena
Councilmember Tom Sykes, Walnut
Councilmember Bob Yousefian, Glendale
Councilmember Glen Becerra, Simi Valley
Councilmember Carl Morehouse, San Buenaventura
Councilmember Ed Reyes, Los Angeles
Councilmember Wendy Greuel, Los Angeles
Councilmember Dennis Zine, Los Angeles
Councilmember Tom LaBonge, Los Angeles
Councilmember Jack Weiss, Los Angeles
Councilmember Tony Cardenas, Los Angeles
Councilmember Alex Padilla, Los Angeles
Councilmember Bernard Parks, Los Angeles
Councilmember Jan Perry, Los Angeles
Councilmember Nate Holden, Los Angeles
Councilmember Cindy Miscikowski, Los Angeles
Councilmember Greig Smith, Los Angeles
Councilmember Eric Garcetti, Los Angeles
Councilmember Antonio Villariagosa, Los Angeles
Councilmember Janice Hahn, Los Angeles
Mayor James Hahn, Los Angeles
Mayor Bill Davis, Simi Valley

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District 61
District 62
At-Large
VCTC

Staff Present

Mark Pisano, Executive Director
Jim Gosnell, Deputy Executive Director
Heather Copp, Chief Financial Officer

Colin Lennard, General Counsel
Karen Tachiki, Chief Counsel
Hasan Ikrata, Director, Planning & Policy
Huasha Liu, Acting Director, Information Services
Shelia Stewart, Executive Assistant

1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

Led by Councilmember Ron Bates, City of Los Alamitos

2.0 PUBLIC COMMENT PERIOD

There were no comments presented at this time. However Councilmember Bates announced his resignation after 30 years of public service. He thanked Regional Council members for their work on regional projects as well as the efforts to accomplish goals for the SCAG region. In addition he thanked SCAG staff for their help and work over the years.

SPECIAL PRESENTATION

President Roberts stated that outgoing Regional Council members as well as Chairs and Vice Chairs of policy committees were presented service awards at the 2004 General Assembly (GA). Mayor Bill Alexander was unable to attend the Awards Luncheon at the GA and was presented a service award by the President for serving as Chair of Community, Economic, and Human Development Committee for year 2004.

3.0 CONSENT CALENDAR

Items 3.1.3 and 3.1.6 were pulled for discussion The remaining consent calendar items were MOVED (Kuiper), SECONDED (Alexander) and UNANIMOUSLY APPROVED

3.1 Approval Items

3.1.1 Approve Minutes of May 6, 2004

It was noted that Supervisor Charles Smith attended the May & June meeting.

3.1.2 Contracts

- National Engineering Technology Corporation (NET)
- Rafiq & Associates

3.1.4 Approve New MOU with Riverside Transit Agency for ITS Transit Project

3.1.5 Approve Joint Meeting with Santa Barbara County Association of Governments to be held in July, 2004

- 3.1.7 Adopt Resolution #04-453-1 authorizing Executive Director to delegate authority to the Deputy Executive Director
- 3.1.8 Authorization to Execute MOU between SCAG & Calif. State University LA (CSULA) for grants awarded to CSULA by the FTA
- 3.1.9 Approve Submittal of Letter Supporting House & Senate Bill Provisions to Fund Transportation Programs for Indian Reservations in the Reauthorization of TEA-21
- 3.1.10 Support Housing Legislation AB 2158 (Lowenthal) and AB 2348 (Mullin)

Items Pulled

- 3.1.3 Authorize Submittal of Letter in Support of S.1107 (Thomas)

S. 1107 makes permanent a user fee presently collected as demonstration project by the National Park Service. The fees are used for visitor services, maintenance and repair of facilities, and cultural and natural resource management. The EEC was supportive of the bill however asked that a letter be sent to the author addressing Congress' ongoing need to commit funds to parks and extend the bill to the National Forest Service.

Councilmember Clark offered a substitute motion and recommended that a letter not be sent due to certain restrictions within the bill. It was MOVED and SECONDED. There were 7 AYES and 31 NOES. The motion failed

Main Motion

It was MOVED and SECONDED. There were 31 AYES and 7 NOES to send a letter of support. The motion passed.

- 3.1.6 Consideration to Adopt Master Fund Transfer Agreement

Karen Tachiki, Chief Counsel, stated that late in calendar year 2003, Caltrans requested all MPO's, in the state, including SCAG to enter into a new proposed Master Fund Transfer Agreement (MFTA). The MFTA is the agreement by which Caltrans administers the Consolidated Planning Grant funds.

It is recommended that the Executive Director be authorized to take appropriate action regarding the new Proposed MFTA. It was MOVED (Perry), SECONDED (Washburn) and UNANIMOUSLY APPROVED.

3.2 Receive & File

- 3.2.1 Contracts & PO between \$5,000 - \$25,000

3.2.2 Conflict of Interest Listing

3.2.3 SCAG Legislative Matrix

3.2.4 Key Issues from Policy Committees Meeting on May 6, 2004

3.3 PRESIDENT'S REPORT

3.1.1 Announcement of Chairs & Vice Chairs

CEHD – Councilmember Deborah Robertson selected as Chair
Councilmember Paul Bowlen selected as Vice Chair

TCC – Councilmember Lee Ann Garcia selected as Chair
Councilmember Harry Baldwin selected as Vice Chair

EEC – Supervisor Hank Kuiper selected as Chair
Councilmember Margaret Clark selected as Vice Chair

The Chair and Vice Chair for the Administration Committee will be announced at the August meeting.

3.3.2 Report on June Retreat

President Roberts stated that the retreat held on June 2 and June 3 at Temecula Creek Inn in the City of Temecula was well attended.

The focus of the retreat included discussions on Conformity and Funding Implications; Fiscal Year 2004-2005 Work Program Objectives; Task Force Review; and Succession Planning

In addition he gave a brief overview regarding the subcommittee and task forces. President Roberts stated he would adhere to the same process as last year. Subcommittee and task force members will be contacted to find out if they are still interested in serving in their current capacity.

Cancellation of July Meeting

It was MOVED (Perry), SECONDED (McCarthy) and UNANIMOUSLY APPROVED to cancel the July meetings and authorize the Executive Committee to convene in July if there is a need to act on any contract and forward to the Regional Council for ratification in August.

3.3.3 Appointments

There were no appointments however, President Roberts welcomed new RC member, Councilmember Jim Aldinger, Manhattan Beach. Councilmember Aldinger will represent District #40.

3.4 EXECUTIVE DIRECTOR'S REPORT

Mark Pisano noted that the items contained within his report were covered during the retreat. However he would be available to answer any questions regarding his report.

4.0 ACTION ITEMS

4.1 Community & Human Development Committee (CEHD) Report

4.1.1 Compass Growth Vision

Mayor Alexander, Chair, reported that on May 6, 2004 the CEHD unanimously approved Compass Growth Visioning Report and Implementation Framework. The report is culmination of 4 years of effort lead by CEHD's Growth Visioning Subcommittee. He stated that the report represented a broad consensus on the future of the region and has had participation of thousands of residents. The CEHD recommended that the Regional Council approve the report.

A power point presentation was given by John Fregonese, Consultant, on the Compass Growth Visioning Project. After the presentation and questions, it was MOVED (Alexander), SECONDED (Kuiper) UNANIMOUSLY APPROVED to approve the Compass Growth Vision and Implementation Program.

4.1.2 Report on Housing Summit

Councilmember Robertson gave a report on Housing Summit. There were approximately 200 attendees. Staff was thanked for their hard work and efforts in making the summit a successful event.

- **Off Agenda Item**

The need to take action arose after the posting of the agenda
It was MOVED (Alexander) and SECONDED (Perry) that AB 2702 (Steinberg) be added to agenda for action.

AB 2702 is intended to increase the supply of housing and spur in-fill development by limiting local governments' ability to deny or place restrictions on the development of second housing units.
While SCAG supports the concept of in-fill housing, AB2702 places restrictions on local government policy making ability and attempts to

impose a “one size fits all” rule to local governments not allowing for differences in communities.

It was MOVED (Alexander), SECONDED (Washurn) and UNANIMOUSLY APPROVED to oppose AB 2702.

4.2 **Administration Committee Report**

4.2.1 **Legal Services Contract**

The Executive Committee is currently reviewing legal services provided to SCAG. While that review is taking place it is recommended that a contract be entered into, terminable upon 30 days notice, for continuation of legal services with the Fulbright & Jaworski law firm to provide for the continuing representation of SCAG by Colin Lennard as SCAG’s General Counsel. It was MOVED (Dixon), SECONDED (Brown) and UNANIMOUSLY APPROVED to approve continuation of legal services terminable with 30 days notice.

4.2.2 **Authorize General Fund Expenditure For Legal Consultant Fees**

SCAG’s 2004 Regional Transportation Plan calls for the investment of \$62 billion in private financing for regional transportation projects including truck and rail capacity enhancements and Maglev.

It is recommended that the Regional Council authorize the expenditure of up to \$20,000 for specialized bill drafting assistance to implement the 2004 Regional Transportation Plan’s private financing strategies while an opportunity exists to coordinate SCAG’s efforts with similar efforts occurring on state and federal levels.

It was MOVED (Dixon), SECONDED (Kuiper) and UNANIMOUSLY APPROVED to approve the recommendation as presented.

4.3 **Transportation & Communications Committee (TCC) Report**

4.4.1 **AB 2628 (Pavley) HOV Lanes**

AB 2628 allows advanced technology Partial Zero-Emission Vehicles (PZEV or “hybrid” vehicles) to use high occupancy vehicle lanes (HOV) regardless of existing required vehicle occupancy levels. Current law, AB 71 (Cunneen), Chapter 330, Statutes of 1999 extends the privilege of HOV lane use to battery electric and compressed natural gas vehicles (Ultra-Low Emission Vehicles or Super-Ultra Low Emission Vehicles). AB 2628 would further extend that privilege to hybrid vehicles. The TCC recommended opposing AB 2628.

It was MOVED (Baldwin), SECONDED (Ashley, Perry) to oppose AB 2628 with one OPPOSE (Buckley).

4.5 Energy & Environment Committee (EEC) Report

No report.

4.6 Communication Task Force Report

Councilmember McCarthy reported that the task force discussed proposed revisions to the Communication Strategy Update which will be presented at the next Regional Council meeting. He also noted that the next Economic Conference is scheduled for November 18, 2004.

5.0 INFORMATION ITEMS

5.1 Monthly Financial Report

No report given at this time.

6.0 FUTURE AGENDA ITEMS

Councilmember Washburn requested to have the item "Watch the Road & Traffic Project" placed on the August TCC agenda.

7.0 LEGAL COUNSEL REPORT

7.1 Closed Session

It was MOVED, SECONDED and UNANIMOUSLY APPROVED to enter into closed session.

- Performance Evaluation of Executive Director
Pursuant to California Government Code
§54957 b(1)
- Morrison v. SCAG
Conference with Legal Counsel Government Code
section 54956.9(a) Morrison v. Southern California
Association of Governments et al. Superior Court,
Los Angeles County, Case No. BC 312066

Returning to open session:

The Executive Director's compensation was discussed and the action taken by the Regional Council will be reported under item 8.0

With regard to Morrison v. SCAG, a report was given but no action taken.

The following items were not discussed.

- Deanna Wetherbee-Distel et al. vs. City of Riverside; County of Riverside; Riverside County Transportation Commission; Riverside County Flood Control and Water Conservation District; Southern California Association of Governments; Riverside Transit Agency; Western Municipal Water District

Conference with Legal Counsel re: pending litigation pursuant to California Government Code Section 54956.9

- HDR Appeal
Conference with Legal Counsel – anticipated litigation
Significant exposure to litigation pursuant to California Government Code Subdivision C §54956.9 (one potential case)
- SCAG v. HCD & BT&H
Conference with Legal Counsel - existing litigation to be heard in closed session in pursuant to California Government Code Section §54956.9(a)

8.0 Executive Committee Recommendation on Executive Director Compensation

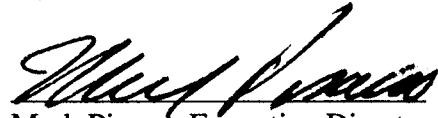
It was MOVED, SECONDED and UNANIMOUSLY APPROVED to increase the Executive Director salary 5%..

9.0 ANNOUNCEMENTS

There were no announcements at this time.

10.0 ADJOURNMENT

The next meeting is scheduled for September 2, 2004 at SCAG Offices downtown Los Angeles.


Mark Pisano, Executive Director

REPORT

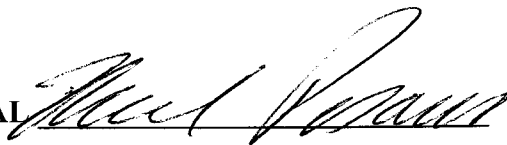
TO: Administration Committee
Regional Council

FROM: Sam Mehta, Contracts Manager (213) 236-1813
Email: mehta@scag.ca.gov

SUBJECT: Approval of Contracts Over \$25,000

DATE: July 13, 2004

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION: Approve Contracts

SUMMARY:

- **The Following Consultant Contract is Recommended for Approval:**
Fregonese Calthorpe Associates NTE \$ 249,980
"TBD" (Project Manager for IT Implementation) NTE \$ 75,000
- **The following Subregional Consultant Contract is Recommended for Approval:**
David Evans & Associates NTE \$ 32,756
- **The Following Lease Renewal for Riverside Office is Recommended for Approval:**
AG/HP – Touchstone Lake, LLC (60 Months) NTE \$ 292,393
- **The Following Conference Venue & Catering Contract is Recommended for Approval:**
The Patina Group NTE \$ 26,000

FISCAL IMPACT:

The Work Element is listed on the detail page for each contract. Included is the Work Element and category of funding, for example FHWA, FTA, indirect.

RC/ADMIN Agenda 8/5/2004
PC DOC#101078

CONSULTANT CONTRACT

Consultant: Fregonese Calthorpe Associates (FCA)

Scope: The Consultant will provide assistance to SCAG for the FY04-05 Growth Visioning Consensus Building, Implementation and Monitoring program. Specifically, the consultant will implement a collaborative strategy developed with all of our governmental partners that continues consensus building with local governments and stakeholders throughout the region; develops a monitoring program that quantifies and records land use changes; and implements specific demonstration projects that integrate land use and transportation to meet the objectives of the Regional Growth Principles.

Contract Amount:

Total not to exceed	\$249,980
FCA (prime)	\$153,926
Calthorpe Associates (subcontractor)	\$ 11,399
System Metrics Group (subcontractor)	\$ 25,051
Valencia, Perez, Echeveste (subcontractor)	\$ 33,609
Urban Reinventions (subcontractor)	\$ 9,347
Landtrans (subcontractor)	\$ 16,648

Contract Period: August 2004 through June 30, 2005

Work Element: 05-050.SCGC1 - \$ 250,000 (Funding sources: FTA)

Request for Proposal: SCAG staff mailed postcards to 194 pre-qualified firms on SCAG's bidders list to notify them of the release of RFP No. 05-002. The RFP was also posted on SCAG's web site. The following proposal was received in response to the solicitation:

Fregonese Calthorpe Associates (5 subcontractors) \$249,980

Selection Process: The Proposal Review Committee (PRC) evaluated the proposal in accordance with the criteria set forth in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations. Interviews were held with the offeror.

The PRC was comprised of the following individuals:

Bev Perry, City of Brea, Council Member
Steve Smith, SANBAG, Principal Transportation Analyst
Miles Mitchell, City of L. A., Senior Management Analyst I

Leann Williams, Caltrans District 7, Sr. Transportation Planner
Mark Butala, SCAG, Senior Regional Planner

Basis for Selection:

The PRC recommends Fregonese Calthorpe Associates (FCA) for the contract award because of FCA's innovative approach to growth visioning implementation, successful completion of numerous similar projects, impressive responses to the questions posed during the interview, and excellent past performance record. In addition, the PRC was very pleased with FCA's in-depth understanding of the project, knowledge of both local and regional issues, ability to build consensus among local elected officials, experience using SCAG's transportation model to analyze the outcomes of linking transportation and land use, strong project manager with substantial experience coordinating large teams, well-balanced team of sub-consultants with varying areas of expertise, and willingness to be flexible when the project requires. FCA received a very high evaluation score on both its proposal and interview. The FCA proposal is highly cost-effective with considerable work products at a reasonable cost. The PRC felt that the superior quality of FCA's proposal well outweighed the lack of competing proposals.

Memo to File

Since only one proposal was received, SCAG Contract staff conducted a random survey of the potential bidders who were sent notification of the RFP release. Following responses were received and documented:

(Names of the firms surveyed are not displayed to maintain their privacy)

Firm #1 – No response provided.

Firm #2 – No response provided.

Firm #3 – They said that they did receive the post card but decided not to bid. They are too busy with their current workload and they are not accepting new work until the end of the year.

Firm #4 – They said that they did receive the post card as they always do from SCAG. His firm decided NOT to submit a proposal because the Scope of Work was too broad and no budget was indicated in the RFP so they did not know how much work was expected of the Consultant. They also thought from the way the Scope was written was that the incumbent (Fregonese Calthorpe) had an inside chance at winning and there was no use competing against them. They also said that the RFP was well written, though, and a lot of firms could not do this "cutting edge" type work, so they were not surprised if SCAG didn't get many proposal on this one. Also, they are too busy right now and not enough time to respond with an adequate proposal since no budget was stated anyway and for the aforementioned reasons they did not submit proposal.

(Continued, Consultant Contract, Fregonese Calthorpe Associates)

Firm #5 - They don't recall receiving a post card for this RFP. However, they do regularly receive RFP release postcards from SCAG. After reading the title of the RFP they said his company would NOT have bid this as a prime but only as a subconsultant, or part of a consulting team.

Firm #6 - Not positioned to bid on this specific type of work. Would require too many outside sources.

Firm #7 - Did not receive the post card notification.
(Contract staff verified this firm's address in the SAP vendor database and found to be correct)

Firm #8 -- No response provided.

Firm #9 -- They did receive post card notification but decided to "no bid" after considering the project.

Firm #10 - They did receive the post card notification but after reviewing the Scope of Work they determined that this work was "set up" for Fregonese/calthorpe to do. The work was too specific to Fregonese type work.

Firm #11 - No response provided.

Firm #12 - No response provided.

SCAG Project Staff, Contract Staff and respective Directors met to discuss the above survey result. After extensive review, staff made following determination:

- If RFP was reissued, it is very unlikely that we would receive additional proposals.
- This work is time sensitive, as we need to implement the current RTP and vision, as well as we need to prepare for the 2007 RTP. Reissuing RFP will not meet RTP implementation schedule.
- RFP work scope was written in a manner, which would result in the successful implementation of current RTP.

Based on the foregoing, staff recommends that RFP should not be reissued and this contract be awarded to Fregonese Calthorpe Associates.

SUBREGIONAL CONSULTANT CONTRACT

Consultant: David Evans and Associates

Scope: The Consultant will examine the feasibility, costs, potential benefits, and potential barriers of upgrading State Route 78 through eastern Imperial County. Included in this analysis will be an assessment of existing conditions, travel benefits such as safety, travel time, and fuel savings, construction feasibility, costs, and a preliminary environmental review.

The results of this study will assist the Imperial Valley Association of Governments (IVAG) and SCAG in determining future needed improvements to the route.

Contract Amount:	Total not to exceed	\$32,756
	David Evans and Associates	\$32,756
	(No subcontractor)	

Contract Period: Six (6) months from the date of award

Work Element: 05-160.IVGC1 - \$ 32,756 (Funding source: FTA)

Request for Proposal: SCAG staff mailed postcards to 198 pre-qualified firms on SCAG's bidders list to notify them of the release of RFP No. 04-003. The RFP was also posted on SCAG's web site. The following three proposals were received in response to the solicitation:

David Evans and Associates (no subcontractors)	\$32,756
Jack Faucett and Associates (no subcontractors)	\$32,655
Katz, Okitsu, and Associates (no subcontractors)	\$32,644

Selection Process: The Proposal Review Committee (PRC) evaluated all three proposals in accordance with the criteria set forth in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations. Interviews were held with all three offerors.

The PRC was comprised of the following individuals:

Philbert Wong, SCAG, Assistant Regional Planner.
Rosa Lopez, IVAG, Administrative Analyst
Garry Rotto, Caltrans District 11, Sr. Transportation Planner

Frank Florenza, Imperial County, Dept. Director – Engineering
Roberto Martinez, City of Brawley, Associate Civil Engineer

Basis for Selection:

The PRC recommended David Evans and Associates for the contract award because they have an extensive experience in transportation and environmental planning. The PRC also believes that David Evans and Associates' qualification is the most suitable for the scope of work because the firm offered the most detailed and comprehensive work plan for analyzing State Route 78. Their plan included an examination of costs and benefits to upgrading the route, construction feasibility, and conducting a preliminary environmental review.

RIVERSIDE OFFICE LEASE RENEWAL

Vendor: AG/HP-Touchstone Lake, LLC

Scope: Restructure & renew office lease for Inland Empire Satellite Office.

Contract Amount: Total for 60 month lease \$292,393*
Total for FY04/05 \$ 28,896
(* This lease amount includes CPI adjustments in lease amount estimated at 4% annually.)

Contract Period: Sixty-month Lease

Work Element: 05-840.SCGS90 - \$ 28,896 (Funding source: Operations-Indirect Overhead)
0X-840 - \$263,497 (Funding source: Operations - Indirect Overhead, subject to approval of SCAG's future budgets)

Request for Proposal: Not applicable

Selection Process: Exercise option to extend the existing lease

Basis for Selection: SCAG has maintained an office in Riverside County since the late 1980s. The current five-year term lease expires on October 1, 2004. SCAG has an option to extend the lease for additional five-year period. Staff has conducted an analysis of comparable office space in other private and public facilities. The research included locations in Riverside and San Bernardino Counties.

Staff looked into several possible scenarios in the review of office space. Option 1 - Move to a public/private facility within Riverside or San Bernardino Counties; Option 2 - Stay in the existing complex but downsize the office space; and Option 3 - Extend the existing lease for a 5-year term.

The rental price SCAG is currently paying is comparable to the market price within Riverside and San Bernardino Counties for similar facilities. In the review of Option 1, there was either no available public facility with adequate space that could accommodate SCAG's needs or additional

tenant improvements would be required. Although private facilities were available in the area, they provided no cost-savings to SCAG. Option 2 may present space shortage in the event of future new hires. The Riverside office is also considered as an emergency back-up office for the downtown location. In addition, the price per square foot for the downsizing option is 30% higher than Option 3.

In comparing adequate office space and rental price, staff has concluded that Option 3 was the best choice. Staff met with the landlord of the Riverside office building. After extensive negotiations, the landlord has agreed to the following:

Tenant improvements: The tenant improvements include two components. The first component is the improvement work that is required under the existing lease, which includes new carpeting, new ceiling tiles and painting. The other component is additional tenant improvement work to bring the space up to building standard at no cost to SCAG;

HAVC: Correct the deficiency of air conditioning performance at no cost to SCAG;

Discounted rental rate: The landlord has agreed to reduce the rental rate from \$1.69 per square foot (95% of the fair market rate) to \$1.63 per square foot;

Free rent: The landlord has agreed to provide us three (3) months free rent between October and December of 2004; and

Reduced CPI: The landlord has agreed to reduce annual CPI from a range of 4%-8% to a range of 3%-7%.

In addition to the tenant improvements, this restructured lease will result in a saving of \$30,800 over the term of the lease.

CONFERENCE VENUE & CATERING CONTRACT

Consultant: The Patina Group

Scope: The Regional Economic Forecast Conference is an annual Conference held by SCAG. This year's Conference will be held at the Walt Disney Concert Hall in downtown Los Angeles on November 18, 2004. SCAG staff estimates that approximately 250 to 300 people will attend this conference. The Patina group manages the overall conference facility and catering for the Disney Concert Hall.

Contract Amount: **Total not to exceed** **NTE \$26,000**

Contract Period: Conference is scheduled on November 18, 2004

Work Element: 05-790.SCGS90 \$26,000 (Funding Sources: Registration and Sponsorships Income)

Request for Proposal: N/A

Selection Process: Eight venues were considered and compared for cost, geographical location, transit accessibility and amenities. SCAG staff, Senior Management and a Regional Council Member participated in the selection of the conference venue. Besides Disney Concert Hall seven other venues were considered: Museum of Natural History, Cathedral of Our Lady of the Angels, Los Angeles Public Library, Union Station, The Queen Mary, Huntington Library & Los Angeles Center Studios.

Basis for Selection: Disney Concert Hall is the newest and the most prestigious venue in the downtown Los Angeles area. The Disney Concert Hall offered the most comprehensive package with a wide range of impressive amenities and excellent catering choices most suitable for this Conference. The venue is centrally located within the region and is transit friendly. As an added bonus, Disney Concert Hall offered a free tour of the facility to all attendees. This will help to increase attendance at the conference, bringing in additional revenue to SCAG's General Fund.

Based on this overall package, Disney Concert Hall (Patina Group) was the unanimous choice for this conference venue.

REPORT

DATE: August 5, 2004

TO: The Administration Committee
The Regional Council

FROM: Tonya Gorham, Government Affairs Analyst
Phone (213) 236-1988 – e-mail: gorham@scag.ca.gov

SUBJECT: Budget Request 2004-2005 – California Association of Councils of Governments (CALCOG) Membership Dues

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION:


Authorize an Overall Work Program (OWP) expenditure of \$36,415 for fiscal year 2004/05 for annual membership dues to the California Association of Councils of Governments (CALCOG).

BACKGROUND:

CALCOG is a non-profit statewide organization that represents California's Councils of Governments on state and national issues. CALCOG's primary activities are to provide public policy, advocacy and intergovernmental coordination with the state legislature, state agencies, the League of California Cities, the California State Association of Counties, California's Congressional delegation and other related organizations. In addition to advocacy, CALCOG also convenes its members in order to share information on regional programs and assists them in developing tools to reach their fullest potential on regional issues.

SCAG has been a member of CALCOG for over a decade and has actively participated in all aspects of the organization's mission. As a dues paying member, SCAG is designated one voting seat on the CALCOG Board of Delegates. Currently, Supervisor Judy Mikels of Ventura County serves as SCAG's delegate and is the immediate past president of CALCOG's Board. Also SCAG staff, including the Executive and Deputy Directors, are active participants on various CALCOG subcommittees.

FISCAL IMPACT:

Approving this request will result in the expenditure of \$36,415 from SCAG's 2004/2005 budget. This amount reflects an increase of \$1,734 over last year's membership dues. CALCOG dues are based on the population and are annually adjusted to reflect increases or decreases in population. CALCOG membership is funded from the following sources: Government Affairs indirect budget \$29,132 and the General Fund RC membership dues. See table below: 

RC Membership Line Item Budget (GF)	\$10,000
Plus Transfer from Program Adjustment Line Item (GF)	\$3,500
New Total RC Membership Line Item	\$13,500



REPORT

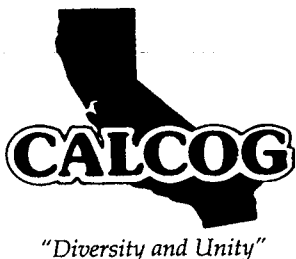
Budget (GF)	
The Coalition for America's Gateway	(\$5,000)
CALCOG General Fund Portion	(\$7,283)
Balance	\$1,217

ATTACHMENT:

CALCOG Invoice

T. Gorham
CALCOG Dues
Docs#101092





CALIFORNIA ASSOCIATION OF COUNCILS OF GOVERNMENTS

May 12, 2004

INVOICE

RECEIVED

MAY 18 2004

SCAG FINANCE OFFICE

Mark Pisano, Executive Director
Southern California Association of Governments
818 W. 7th Street, 12th Floor
Los Angeles, CA 90017

2004-05 CALCOG DUES - \$36,415.00

TOTAL DUE.....\$36,415.00

Please remit payment to:

CALCOG
Attn: Brenda Hettema
1127 11th Street, Suite 925
Sacramento, CA 95814

Handwritten:
2
WMM
5/18/04

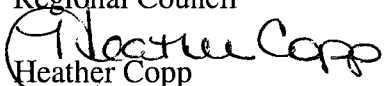
Please remit payment within 60 days from the date of original invoice to avoid a 10% penalty. Thank you!

000021

REPORT

DATE: July 10, 2004

TO: Administration Committee
Regional Council

FROM: 
Heather Copp
Chief Financial Officer/DBE Liaison Officer

RE: Approval of Draft Disadvantaged Business Enterprise (DBE) Goal and Methodology for Federal Fiscal Year (FY) 2004-2005

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:


Approve Draft DBE Goal and Methodology for Federal FY 2004-2005 for release for public comment.

BACKGROUND:

On June 8, 2004, SCAG received the attached approval letter from the State Department of Transportation (Caltrans). Caltrans reviewed SCAG's Draft DBE Goal and Methodology for Federal FY 2004-2005 and determined that it meets the basic requirements of the applicable Federal regulation (49 CFR Part 26).

Upon approval by the Regional Council, SCAG will publish a notice of the Draft DBE Goal and Methodology for Federal FY 2004-2005, informing the public that comments will be accepted for forty-five (45) calendar days from the date the notice is advertised. The Public Notice will be placed in various newspapers, including minority newspapers, and on SCAG's website.

FISCAL IMPACT:

Cost for the Public Notice is approximately \$2,100. Source of funds: Indirect Overhead. 



DEPARTMENT OF TRANSPORTATION
DISTRICT 7, OFFICE OF LOCAL ASSISTANCE AND
ALAMEDA CORRIDORS
700 N. ALAMEDA STREET, 4TH FL.
LOS ANGELES, CA 90012
PHONE (213) 620-6544
FAX (213) 620-6583



*Flex your power!
Be energy efficient!*

June 8, 2004

Annual Overall DBE Goal Information & Methodology
Federal Fiscal Year (FFY) 2004-2005

Mr. Mark Pisano
Chief-Executive Officer
Southern California Association of Governments
818 W. Seventh Street, 12th Floor
Los Angeles, CA 90017-3435

ATTN: Ms. Heather Copp, DBE Liaison Officer

Dear Mr. Pisano:

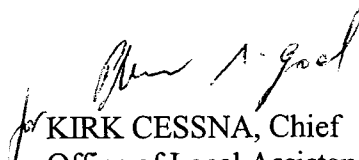
We have reviewed your Draft DBE Goal and Methodology for FFY 2004-2005. It meets the basic requirements of 49 CFR Part 26. Therefore, we approve the Draft DBE Goal and Methodology for FFY 2004-2005. Your Draft is attached.

Now, you can advertise your DBE Goal for public participation and comments. The Public participation and commenting period is 45 days from the day of advertising your DBE Goal.

Once the commenting period (45 days) is over, then submit your final DBE Goal information and Goal Methodology along with proof of publication, summary of comments and your responses for our review and approval. Final submission is due by September 1, 2004

Should you have any questions, please contact Sohan Basra of my staff at (213) 620-6307.

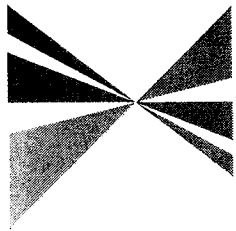
Sincerely,


KIRK CESSNA, Chief
Office of Local Assistance
and Alameda Corridors

Attachment:

000023

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

Officers: President: Councilmember Bev Perry,
Los Angeles County • First Vice President: Councilmember Ron
Roberts, Temecula • Second Vice President:
Supervisor Hank Kuiper, Imperial County • Past
President: Councilmember Ronald Bates,
Los Alamitos

Imperial County: Hank Kuiper, Imperial County •
D Shields, Brawley

Los Angeles County: Yvonne Brathwaite Burke,
Los Angeles County • Zev Yaroslavsky, Los Angeles
County • Harry Baldwin, San Gabriel • Paul
Bowlen, Cerritos • Tony Cardenas, Los Angeles •
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Reyes, Los Angeles • Greig Smith, Los Angeles •
Dick Stanford, Azusa • Tom Sykes, Walnut • Paul
Talbot, Alhambra • Sidney Tyler, Pasadena • Tonia
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Los Angeles • Dennis Washburn, Calabasas • Jack
Weiss, Los Angeles • Bob Yousefian, Glendale •
Dennis Zine, Los Angeles

Orange County: Chris Norby, Orange County •
Ronald Bates, Los Alamitos • Lou Bone, Tustin •
Art Brown, Buena Park • Richard Chavez, Anaheim
Debbie Cook, Huntington Beach • Cathryn
DeYoung, Laguna Niguel • Richard Dixon, Lake
Forest • Alta Duke, La Palma • Bev Perry, Brea •
Tod Ridgeway, Newport Beach

Riverside County: Marion Ashley, Riverside
County • Thomas Buckley, Lake Elsinore • Bonnie
Flickinger, Moreno Valley • Ron Loveridge,
Riverside • Greg Pettis, Cathedral City • Ron
Roberts, Temecula

San Bernardino County: Paul Biane, San
Bernardino County • Bill Alexander, Rancho
Cucamonga • Edward Burgnon, Town of Apple
Valley • Lawrence Dale, Barstow • Lee Ann Garcia,
Grand Terrace • Susan Longville, San Bernardino •
Gary Ovitt, Ontario • Deborah Robertson, Rialto

Ventura County: Judy Mikels, Ventura County •
Glen Becerra, Simi Valley • Carl Morehouse, San
Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority:
Charles Smith, Orange County

Riverside County Transportation Commission:
Robin Lowe, Hemet

Ventura County Transportation Commission: Bill
Davis, Simi Valley

May 28, 2004

Mr. Kirk Cessna, Office Chief of Local Assistance
California Department of Transportation
700 N. Alameda Street, 4th Floor
Los Angeles, CA 90012

Attention: Mr. Sohan Basra

RE: **DRAFT ANNUAL OVERALL DBE GOAL INFORMATION FOR
FY 2004-2005**

Dear Mr. Basra:

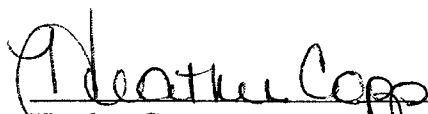
The Southern California Association of Governments (SCAG) respectfully submits for your review and comments our annual overall goal information for the new fiscal year (FY). SCAG proposes an annual overall DBE goal of 6% for FY 2004-2005, which begins on July 1, 2004 and ends on September 30, 2005 (It is SCAG's intent to revert back to the Federal fiscal year reporting period for future overall DBE goal submittals).

The amount of overall goal, methodology, and breakout of estimated race-neutral and race-conscious participation are presented herein (see Attachment) in accordance with Title 49 of the Code of Federal Regulations Part 26, and as described in the *Local Assistance Procedures Manual* ("LAPM," March 2001). Also, we will be updating our DBE program and submitting it for approval in July.

A summary of the breakout percentages appears below.

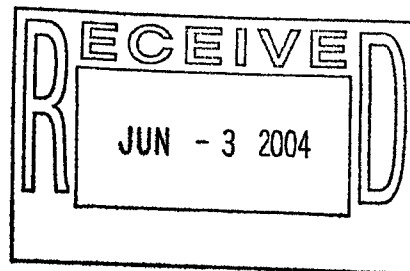
Breakout of Estimated Race-Neutral and Race-Conscious Participation

5.4% (90% of the total goal of 6%) is broken-out as a race-conscious component. The remaining **.6%** (10% of the total goal of 6%) is spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.


Heather Copp
CFO/DBE Liaison Officer

5/28/04
Date

000024



ATTACHMENT

DBE Goal Methodology

The Southern California Association of Governments (SCAG) FY 2004-2005 Overall Work Program (OWP) is partly funded by the U.S. Department of Transportation (DOT) under a Consolidated Planning Grant (CPG), which includes funding from FHWA and FTA.¹ SCAG also receives funding from FAA and other Federal sources. The estimated value of DOT-assisted contracts and purchases identified in FY 2004-2005 is as follows:

I. DOT-Assisted Contracting Program [49CFR 26.45(a)]: Anticipated Work Program for FFY 2004-2005

Work Category	NAICS Category	Estimated Dollar Value	% of Federal Funding by Work Category
Transportation Planning Consulting	541614		
Environmental Consulting Services	541620		
Professional Services	541990	\$ 10,389,496*	98%
Commercial Lithographic Printing	323110	\$ 218,484*	2%
TOTAL		\$ 10,631,220*	100%

*These numbers exclude carry-over funding from the FY 2003-2004 OWP and are strictly for new contracts and purchase orders.

The types of projects funded from the above sources, will be directly administered by SCAG and include:

- Air Quality Management Plans
- Growth Visioning Studies
- Aerial Photography
- Regional Demographic Modeling and Area Income Modeling
- Air Cargo Studies
- Economic Modeling
- Environmental Impact Reports
- Goods Movement/Truck and Rail Studies
- Highway Studies and Highway Inventories
- Housing Needs Assessments and Strategies
- Parking Cost Modeling
- Regional Cordon Surveys
- Public Participation and Outreach
- Other Required Transportation Planning & Mandated Activities

¹ The FY 2004-2005 OWP is expected to begin on July 1, 2004 and end on September 30, 2005.

II. DBE Goal Methodology [49CFR 26.45(b)]:
Definition of Base Figure [49 CFR 26.45(b)]

The base figure is defined as the relative availability of DBEs in relation to all comparable firms available in an agency's contracting market area.

Number of Ready, Willing, and Able DBEs

----- = BASE FIGURE

Number of All Ready, Willing, and Able Firms

Step 1. Determination of a Base Figure [49CFR 26.45(c)]:

The base figure for the relative availability of DBE firms that are ready, willing, and able to participate in DOT-assisted contracting in the SCAG area are as follows:

	<u>Consulting/Professional</u>	<u>Printing</u>
Base Figure =	$\frac{.98 (79)}{1036}$	$\frac{.02 (3)}{71}$
Base Figure =	.07	0
Base Figure =	7%	

SCAG determined the Base Figure by following the "Utilizing the Bidders List" methodology. SCAG maintains an internal database of consultants and vendors. Presently, SCAG's database provides the most accurate number of potential DBEs available in the SCAG area.

SCAG's database contains firms that provide the types of services utilized by SCAG in the six-county region (Los Angeles, Orange, Imperial, Ventura, San Bernardino, and Riverside counties). Since SCAG is a transportation planning agency, SCAG frequently contracts with transportation planning and environmental consultants throughout the region.

Therefore, based upon the ratio of DBE to non-DBE firms, the base figure is 7% for availability of participation by DBE firms.

Step 2. Adjusting the Base Figure [49CFR 26.45(d)]:

After determining the base figure of 7%, staff surveyed SCAG's records from the previous year to determine whether an adjustment of the base figure is necessary.

In the past year, the value of contracts awarded to DBE firms was approximately \$240,403, out of a total value of approximately \$5,531,233 awarded to vendors and consultants during the same period. Therefore, the percentage of work awarded to DBE firms, based on the total value of all contracts and purchase orders was 4%.

SCAG anticipates at least 4% participation by DBE firms for FY 04-05, with an adjustment downward from 7% to 6% considering past participation.

Resultant Goal [49 CFR 26.45(e)]: 6%

III. Breakout of Estimated Race-Neutral and Race-Conscious Participation [49 CFR 26.51]:

“Race-conscious measure or program” is one that is focused specifically on assisting only DBEs, including women owned DBEs” (LAPM, 9-1).

Under the above definition, SCAG employs the following race-conscious measure:

SCAG contracting procedures require the consultant selection panel to factor DBE participation into the competitive selection process. A bidder may receive a weighted score of 1-5 points (out of 100 total points), depending on whether a bidder is a DBE or subcontracts part of the work to a DBE firm. Five points is the maximum weight received if DBE participation is involved.

Since approximately 90% of the DOT-assisted funds received by SCAG are awarded to consultants through the selection process described above, 90% of the total goal should be broken-out as a race conscious component. The remaining 10% are spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

IV. Public Participation in Setting Overall Annual DBE Goal [49 CFR 26.45(g)]

Upon approval of this draft goal by Caltrans and SCAG’s governing body, the Regional Council, SCAG will publish a notice of the proposed overall goal, in compliance with 49 CFR 26.45(g) and the LACM.

REPORT

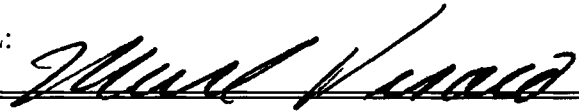
DATE: August 5, 2004

TO: Administration Committee
Regional Council

FROM: Hasan Ikhata
Director, Planning and Policy Department
(213) 236-1944

SUBJECT: Co-Sponsorship of UCLA Extension Public Policy Program 2004
Arrowhead Symposium

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

It is recommended that the Regional Council authorize SCAG to co-sponsor the 2004 Arrowhead Symposium for an amount of \$8,000.

BACKGROUND:

Each year, the UCLA Extension Public Policy Program holds a symposium dealing with regional and public policy issues. This year's symposium titled "Transportation, Land Use and Environment Connection" will address Goods Movement and its connections to land use and the environment. The 2 ½ day symposium, that will take place on October 24-26, 2004 at Lake Arrowhead, will include panels and other forums for dialogue among public officials, private industry leaders, and audience members. SCAG has been a supporter and co-sponsor of this program in the past.

COST IMPACT: *He*

RC Special Projects Line Item Budget (GF)	
	\$49,000
Co-Sponsorship of UCLA's Extension Public Policy Program 2004 Arrowhead Symposium	(\$8,000)
Co-Sponsorship of Rail-Volution Conference	(\$5,000)
Co-Sponsorship of So. California's Leadership Class XV Tuition, Luncheon, & Graduation	(\$12,500)
Sponsorship of 3 rd Annual Inland Empire Transportation & Logistics Summit	(\$500)
Balance as of August 5, 2004	\$23,000

April 30, 2004

UCLA Extension Public Policy Program
10995 Le Conte Avenue, Room 613
Los Angeles, CA 90024
Tel: (310) 825-7885 Fax: (310) 825-1545
E-mail: lgraymer@uclaextension.edu

Hasan Ikharta
Director, Planning & Development Department
Southern California Association of Governments
818 W. 7th Street, Suite 1200
Los Angeles, CA 90017

Subject: Funding and Planning the 2004 Arrowhead Symposium

Dear Hasan:

Thank you for your excellent contributions during the April 27th Steering Committee Meeting planning the 2004 Arrowhead program. We have attached the draft program outline reflecting ideas discussed for the Goods Movement topic which will be the focus of this year's Transportation, Land Use, and Environment Connection Symposium. A more detailed outline, including speaker suggestions, will be developed by Brian Taylor over the next few weeks. We will then circulate that for your review and recommendations.

In the meantime, we are following up on ways to adequately fund this carefully crafted policy and research symposium. As we discussed, the failure of Congress to pass a "budget" for the transportation in this fiscal year creates serious uncertainty for the federal sources of funding. This coupled with the California budget situation means that three of the major contributors to this annual series are uncertain about funding. We discussed ways to try to expand and enhance the funding from other sponsors and possibly include an infusion of funding from other private and public sources. This would be particularly appropriate with this year's focus on moving freight and addressing the Economic, Environmental, and Equity issues that cross jurisdictional as well as public and private sectors.

For immediate purposes we are now formally requesting a commitment from your organization. As one of the sustaining contributors over the many years, we want to thank you and enlist your formal commitment to helping as a funding sponsor again for 2004. Last year you funded at the \$5,000 level. In light of the potential shortfalls Federal and State sponsors this year, we would greatly appreciate it if you could increase that amount to \$10,000 this year. This support plus any help and suggestions for other organizations to contact will enable UCLA Extension to commit

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fully to proceeding with this year and maintaining the quality and utility of this program. Also, this will help to insure our continuing to prepare the edited proceedings that have been more widely distributed.

We've also drafted a summary statement of what the Annual Symposia have contributed over the past 13 years and a sample of the people who have participated. If appropriate, please feel free to share that with whoever may wish to know more about the value of these programs and may consider helping with funding.

Again thank you and your organization for all the contributions you have made to helping enhance the two way communication between research and policy as well as providing more cross cutting linkages among the policy fields of Transportation, Land Use, and the Environment. Additionally, I want to add that it is both a professional and personal pleasure to work with you.

If possible, could we receive your funding commitment by **May 15**, so we can be assured of the needed support to proceed with developing this year's program. If you have any questions or suggestions, please contact me either by e-mail or telephone the Public Policy Program at (310) 825-7885.

Cordially,



LeRoy Graymer
Founding Director
UCLA Extension Public Policy Program

cc. Robert Lapiner, Dean, UCLA Extension

Enclosures

DRAFT OUTLINE

6 July 2004

DRAFT OUTLINE

Moving Goods

The Transportation - Land Use - Environment Connection

Goods movement – both within cities and between cities – is increasing faster than any other type of travel. The effects of this growth are significant for both urban and rural areas, especially along major highways and rail lines, and near air- and sea-ports. In the fall of 2004, the *UCLA Lake Arrowhead Symposium on the Transportation – Land Use – Air Quality Connection* will address **Goods Movement**. While the movement of goods has received increasing attention from both policy makers and analysts in recent years, the topic has rarely been addressed with an explicit focus on the connections to land use and the environment. In addition, the clear links between goods movement and the economy, the environment, and questions of equity make this an important and timely topic for many.

The impacts of goods movement on traffic congestion and, likewise, the effects of congestion on the movement of goods are critical issues in many areas. Freight logistics are evolving in the face of both technological, economic, and policy changes. The effects of these changes on land uses – such as the recent growth of inland warehousing and trans-shipment centers – are in need of more attention from policymakers and researchers.

Air quality planning focuses increasingly on goods movement, especially with regard to fine particulate matter. Potentially significant changes in both propulsion technologies and, especially, emissions regulations are on the near-term horizon. Related to this are environmental justice issues, which pose important questions for both the residents of neighborhoods adjacent to highways, rail lines, and freight-handling facilities, and for the organizations that use and manage such facilities. And finally, all of these issues are inextricably linked to labor-management relations in the goods movement industry.

These issues will be addressed in a series of presentations and discussion among goods movement analysts and decision makers in both the public and private sectors. The 2 ½ day invitation-only retreat will feature presentations by many of the top researchers in the field, and will include panels and other forums for dialogue among public officials, private industry leaders, and audience members. This mix of researchers and practitioners having diverse interests and viewpoints is the signature of the UCLA Lake Arrowhead Symposium, which is now in its 14th year.

Sunday, October 24

1:00 pm Registration and refreshments

1:30 pm ***Moving the economy, protecting the environment, and ensuring equity: A symposium overview***
Speaker: Brian Taylor, UCLA

2:00 pm **How Are Changes in Production, Trade, Consumption, and Congestion Affecting the Movement of Goods?**

Trends in economic production, trade, logistics, and freight
Speaker(1 person)

What are costs of and solutions to an increasingly congested freight system?
Speaker(1 person)

Free trade, organized labor, increased security, and more: The emerging political/policy context of goods movement
Speaker(1 person)

3:30 pm Break

3:45 pm **Modal Perspectives on a Multi-Modal Issue: Issues and Policy Challenges**

Overcoming barriers to coordinated inter-modal movement of goods: Lessons from Europe
Speaker(1 person)

Air cargo: Issues and policy challenges
Speaker(1 person)

Maritime trade: Issues and policy challenges
Speaker(1 person)

Rail freight: Issues and policy challenges
Speaker(1 person)

Trucking: Issues and policy challenges
Speaker(1 person)

5:30 pm Check-in and Reception

6:30 pm Dinner

8:00 pm **Increasing Public-Private Cooperation and Coordination in Managing the Movement of Goods**

Panelists: (4 to 6 people)

9:30 pm Informal reception and discussion

Monday, October 25th

7:30 am Breakfast

8:45 am **Land Use and Environmental Issues**

Resolving local land use conflicts with expanding ports and terminals

Speaker(1 person)

Moving goods in rural and rapidly urbanizing areas: The case of California's Central Valley

Speaker: Carol Whiteside, President, Great Valley Center

Coping with evolving freight logistics and the rise of inland warehouse and transfer facilities

Speaker: Norm King, Executive Director, San Bernardino Associated Governments

10:30 am Break

10:45 am **Global Trade, Local Impacts: Who Benefits? Who Pays?**

A research-based framework for understanding distributional issues in goods movement

Speaker: Lisa Schweitzer, Virginia Tech University

Commentaries (3 to 4 people)

1:30 pm **Air Quality and Energy Issues**

Trucks, trains, ships, and planes: An update on goods movement-related emissions

Speaker(1 person)

Regulating emissions in the goods movement sector: Reports from Washington and Sacramento

Speakers(2 people)

Alternative propulsion technologies: What's on the horizon?

Speaker(1 person)

Commentaries: (4 people)

3:30 pm Free Time

5:00 pm Reception

6:00 pm Dinner

7:30 pm **Who's in Charge? Overcoming Governance Challenges to Planning, Regulating, and Managing Goods Movement**

Speaker: Sunne Wright McPeak, Secretary for Business, Transportation & Housing, State of California (invited)

Commentaries: (3 people)

9:30 pm Informal Reception/Discussion

Tuesday, October 26

7:30 am Breakfast

8:45 am **The Going Rate: Public Finance of Goods Movement*****Whose impacts? Whose revenues? Financing freight infrastructure to move the economy, protect the environment, and ensure equity***

Speaker(1 person)

Closing the gap: New directions in highway finance to pay for growing lists of unfunded goods movement projects

Speaker(1 person)

The fiscal challenges to mitigating capacity enhancements

Speaker(1 person)

10:15 am Break

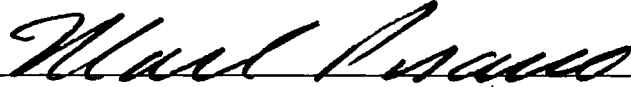
10:30 am **Closing Panel – New Solutions and New Directions**
Speakers(3 people)

12:00 pm Lunch and adjournment

REPORT

TO: Administration Committee / Regional Council
FROM: Sylvia Patsaouras, Manager, Environmental Planning, (213) 236-1806,
patsaour@scag.ca.gov
DATE: August 5, 2004
SUBJECT: Sponsorship of Rail~Volution Conference

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION: Approve Gold Sponsorship of \$5,000 for the 2004 Rail~Volution Conference.

SUMMARY:

The 2004 Rail~Volution Conference is being held September 18-22, 2004, at the Renaissance Hollywood Hotel in Los Angeles. The Rail~Volution Conference provides a forum that engages the public to form a diverse coalition dedicated to building livable communities with transit, through education, advocacy, and increasing overall federal, state, and local funds available for transit.

Benefits of conference sponsorship include:

- Name recognition in the Rail~Volution Conference program ad
- Name recognition in the Opening Reception Announcement placed in all Conference bags
- Name recognition on Opening Reception signage
- Four complimentary Opening Reception tickets

BACKGROUND:

This tenth annual conference invites the attendee to participate in discussions that are invigorating - in their breadth and depth, in their bold approach to new ideas, and in their frank approach to divulging lessons learned. In addition to hands-on workshops, the conference also provides a forum for the type of informal discussions that help shape stellar communities.

Attendees of Rail~Volution 2004 will see a strong emphasis on "movement" as the primary theme of this year's conference. Communities throughout the United States are moving forward with positive changes as they make land use and transportation decisions in conjunction with each other, rather than separately. Together, these two powerful agents of change are creating a greater sense of place for neighborhoods and



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

REPORT

advancing business areas into a stronger economic foothold. Concepts and topics that will be prevalent at Rail~Volution 2004 include:

- Building a foundation for change
- Making smart money moves
- Envisioning the environment and equity
- Get moving toward better health
- Transit as an agent of change
- How citizens can move mountains

Rail~Volution 2004 features more than 60 workshops. Detailed information about the conference program is available at <http://www.railvolution.com/default.htm>.

ATTACHMENTS:

1. Rail~Volution Local Sponsorship Opportunities
2. Rail~Volution 2004 Conference Program

FISCAL IMPACT: Hc

RC Special Projects Line Item Budget (GF)	\$49,000
Co-Sponsorship of UCLA's Extension Public Policy Program 2004 Arrowhead Symposium	(\$8,000)
Co-Sponsorship of Rail-Volution Conference	(\$5,000)
Co-Sponsorship of So. California's Leadership Class XV Tuition, Luncheon, & Graduation	(\$12,500)
Sponsorship of 3 rd Annual Inland Empire Transportation & Logistics Summit	(\$500)
Balance as of August 5, 2004	\$23,000



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS



Rail~Volution
September 18 – 22, 2004
Renaissance Hollywood, Los Angeles, CA

Local Sponsorship Opportunities

The ninth annual Rail~Volution Conference will be held in Los Angeles September 18 – 22, 2004. Over 1,200 business leaders, academics, elected and federal officials, planners and transit operators will attend the conference to learn about the many benefits of building livable communities with transit.

Projected Attendance: 1,000
Individual Cost: \$325

Local sponsorship opportunities are available through May 1 or until filled. Local sponsorship opportunities will no longer be available after August 1, 2004.

Sponsorship Benefits:

Platinum Sponsor: \$10,000 (Limited to four)

- Logo recognition in the Rail~Volution Conference Program Ad
- Logo recognition in the Opening Reception Announcement placed in all Conference Bags
- Logo recognition on Opening Reception Signage
- Opportunity to distribute Promotional Item or Literature in the Conference Bag or at the Opening Reception (Items are subject to MTA approval.)
- Ten complimentary Opening Reception Tickets

Gold Sponsor: \$5,000 (Unlimited)

- Name recognition in the Rail~Volution Conference Program Ad
- Name recognition in the Opening Reception Announcement placed in all Conference Bags
- Name recognition on Opening Reception Signage
- Four complimentary Opening Reception Tickets

Silver Sponsor: \$2,500 (Unlimited)

- Name recognition in the Rail~Volution Conference Program Ad
- Name recognition on the Opening Reception Signage
- Two complimentary Opening Reception Tickets

Room Key Sponsor \$7,000 (Limited to one)

- Two-Color Logo recognition on all Renaissance Hotel Room Keys distributed to conference attendees
- Name recognition in the Rail~Volution Conference Program Ad

Scholarship Sponsor: \$2,500 and above (Unlimited)

Provides registration fees for local citizen activists, advocates and students working on transportation and land use issues to attend the conference.

- Name recognition in the Rail~Volution Conference Program Ad

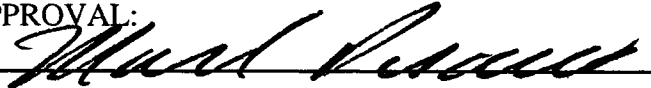
Exhibit Space

Exhibit Space can be added to any Sponsorship for an additional \$2,500.
Booth size: 8' x10'.

REPORT

DATE: August 5, 2004
TO: Administration Committee
Regional Council
FROM: Jim Gosnell, Deputy Executive Director
(213) 236-1889, gosnell@scag.ca.gov
SUBJECT: Approval of Sponsorship of Southern California Leadership Network
Class XV Tuition, Leader of the Year Luncheon, and Graduation Ceremony

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve SCAG sponsorship of three related items from the Southern California Leadership Network:

- Class XV Tuition for two participants in the amount of \$3,750 each;
- Table sponsor of annual luncheon in the amount of \$2,500 for one table of ten; and,
- Graduation ceremony sponsorship in the amount of \$2,500.

The total amount requested is \$12,500.

BACKGROUND:

SCAG has been a long-time supporter of the Southern California Leadership Network (SCLN) and its mission. Key members of SCAG's executive staff continue to serve on the SCLN Board.

SCAG has sponsored many Regional Council members in the Network's annual leadership training program, which is conducted in conjunction with Coro Southern California. Recent participants include Debbie Cook, Llewellyn Miller, Toni Young, Lee Ann Garcia, Greg Pettis, and Dick Stanford. We are now seeking candidates for this year's program from among current Regional Council members. If you are interested in participating, please let staff know. Other ways SCAG supports SCLN are by hosting a table for RC Members at the annual Leader of the Year luncheon, and by contributing to the graduation ceremony.

BUDGET IMPACT:

Funds are available in the FY 2004 - 2005 General Fund to support this activity. 

<i>RC Special Projects Line Item Budget (GF)</i>		\$49,000
Co-Sponsorship of UCLA's Extension Public Policy Program 2004 Arrowhead Symposium		(\$8,000)
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Co-Sponsorship of So. California's Leadership Class XV Tuition, Luncheon, & Graduation		(\$12,500)
Sponsorship of 3 rd Annual Inland Empire Transportation & Logistics Summit		(\$500)
Balance as of August 5, 2004		\$23,000

MEMO

DATE: August 5, 2004

TO: Regional Council
Administration Committee

FROM: Huasha Liu, Interim Director, Information Services
Phone: (213) 236-1838; E-Mail: liu@scag.ca.gov

SUBJECT: Authorize Foreign Travel for Ron Roberts and Mark Pisano to Make a Presentation at a Planning Symposium in Seoul, Korea in October 2004 at the Request of the Seoul Development Institute

EXECUTIVE DIRECTOR'S APPROVAL:

Mark Pisano

RECOMMENDED ACTION:

Approve to accept the invitation for SCAG President and Executive Director to present at a planning symposium in Seoul, Korea in October 2004.

BACKGROUND:

The Seoul Development Institute (SDI) has invited SCAG President and Executive Director to attend a planning symposium in Seoul, Korea on October 13, 2004. The invitation letters are attached.

The theme of the symposium is on "Planning Issues and Policy Measures for Sustainable Growth of Two Pacific Rim Metropolitan Areas: Seoul and Los Angeles." Specifically, SCAG President and Executive Director are invited to speak on planning issues and policy measures in the SCAG region, and how SCAG and SDI can work together in the future to address common issues and challenges.

The planning symposium will be the first joint activity between SCAG and SDI following the Cooperative Relationship Agreement signed by the two organizations in September 2003. The agreement seeks to promote cooperation in, among others, exchanging technical information and research personnel, and participating in joint seminars and workshops.

FISCAL IMPACT: *He*

As the host of the Symposium, the Seoul Development Institute will cover all expenses (including airfare) incurred during the trip by SCAG representatives as expressed in the invitation letters.



July 12, 2004

Mr. Ronald H. Roberts
President
Southern California Association of Governments
818 West 7th Street, 12th Floor
Los Angeles, California 90017
U.S.A.

Dear Mr. Roberts

I have great pleasure in inviting you to the symposium for the 12th anniversary of the founding of Seoul Development Institute(SDI). The symposium, planned as the first joint academic activity following the Cooperative Relationship Agreement between SDI and SCAG, will take place at SDI in Seoul, Korea on October 13, 2004.

The theme of the symposium is to be "Planning Issues and Policy Measures for Sustainable Growth of Two Pacific Rim Metropolitan Areas : Seoul and Los Angeles".

We believe that the symposium will provide a unique forum that introduces the overview of the metropolitan areas and discusses recommended approaches toward resolving the metropolitan planning issues. This will enhance our understanding of planning issues and policy measures in the metropolitan areas. The occasion will also provide the opportunity for you to meet many of Korean key scholars and government officials in the planning field and to share knowledge and experiences in this area. In addition to the formal program, we have a field trip program in and around Seoul for you.

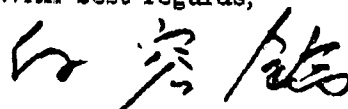
서울시정개발연구원
Seoul Development Institute

391, Seocho-dong, Seocho-gu, Seoul 137-071, KOREA

It's a great honor to invite you to SDI. I would like to invite you to speak on planning issues and policy measures in Los Angeles Metropolitan area and SCAG region, and how SDI and SCAG work together in the future to address those issues in both Seoul and Los Angeles metropolitan areas. SDI, as the host, would like to pay all expenses (including airfare) incurred during your visit to Seoul(trip schedule : 10/11(Mon, LA time) - 10/15(Fri, Korean time)).

On behalf of SDI, I sincerely look forward to welcoming and meeting you at the symposium.

With best regards,



Dr. Yong-Ho Baek,

President

Seoul Development Institute

391 Seocho-dong, Seocho-gu,

Seoul, 137-071, Korea

FAX : 82-02-2149-1007

TEL : 82-02-2149-1001



391, Seocho-dong, Seocho-gu, Seoul 137-071, KOREA

July 12, 2004

Mr. Mark Pisano
Executive Director
Southern California Association of Governments
818 West 7th Street. 12th Floor
Los Angeles, California 90017
U.S.A.

Dear Mr. Pisano

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서울시정개발연구원
Seoul Development Institute

391, Seocho-dong, Seocho-gu, Seoul 137-071, KOREA

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On behalf of SDI, I sincerely look forward to welcoming and meeting you at the symposium.

With best regards,

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Dr. Yong-Ho Baek,

President

Seoul Development Institute

391 Seocho-dong, Seocho-gu,

Seoul, 137-071, Korea

FAX : 82-02-2149-1007

TEL : 82-02-2149-1001

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REPORT

DATE: August 5, 2004

TO: The Administration Committee
The Regional Council

FROM: Tonya Gorham, Government Affairs Analyst
Phone (213) 236-1988– e-mail: gorham@scag.ca.gov

SUBJECT: Coalition for America's Gateways and Trade Corridors Membership Fee

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION:

Approve a \$5,000 General Fund expenditure for membership dues for the Coalition for America's Gateways and Trade Corridors for calendar year 2004.

SUMMARY:

SCAG staff is requesting that the Regional Council authorize a \$5,000 General Fund expenditure for membership fees for the Coalition for America's Gateways and Trade Corridors (CAGTC). CAGTC is an issue specific advocacy effort dedicated to ensuring that goods movement, freight and homeland security infrastructure are adequately funded in the reauthorization of the Federal Transportation Program. SCAG has been a member of the coalition since March 2002 and with the reauthorization negotiations continuing and possibly extending beyond the November Presidential election, staff is recommending continued membership in the coalition.

BACKGROUND:

CAGTC is a national advocacy coalition dedicated to building public and congressional support for freight infrastructure and securing sufficient funding in the reauthorization of TEA-21 for trade corridors and gateways. CAGTC's main mission is to promote a seamless goods movement transportation system across all modes to enhance capacity and economic growth. The coalition is comprised of a variety of interests including motor carriers, railroads, ports, state departments of transportation, national corridor projects and other transportation stakeholders. Some local members of the coalition include: Alameda Corridor-East Construction Authority, Gateway Cities Council of Governments, Los Angeles County Metropolitan Transportation Authority (LACMTA), Los Angeles Economic Development Corporation, OnTrac, Port of Los Angeles, Riverside County Transportation Commission (RCTC), and San Bernardino Associated Governments (SANBAG)

CAGTC has called on Congress and the Administration to increase funding for goods movement, develop innovative financing approaches and establish freight mobility as a central element of national transportation policy. The CAGTC's efforts complement and advance a vital issue and one of the principal challenges being addressed by SCAG's Goods Movement Program—the negative differential in funding that exists between identified regional freight movement projects and available sources of funds. Over the last two years, the CAGTC has successfully drawn attention to the critical issue of goods movement by doing the following:

- Hosting Congressional events
- Organizing showcase events to draw attention to successful goods movement projects and future needs.



REPORT

- Producing educational materials on the importance of freight infrastructure including a brochure and document entitled *America's Freight is America's Future: Succeeding Through Borders and Corridors*.
- Testifying at Congressional hearings on the importance of goods movement.
- Gaining endorsements from organizations such as United Transportation Union and the National Association of Regional Councils.

Most importantly, CAGTC has successfully gained attention for freight from Congress and the Administration and influenced their reauthorization bills. The House of Representatives increased funding for freight-related infrastructure programs that existed in TEA-21 and also created new programs that focus on the ever expanding needs of our goods movement system.

FISCAL IMPACT:

The \$5,000 membership fee is an annual fee that is paid by all coalition members. The CAGTC membership fee was previously deducted from SCAG's General Fund. According to Federal regulations, SCAG is not permitted to use Federal Grants for any type of advocacy or lobbying efforts. See the table below:

RC Membership Line Item Budget (GF)	\$10,000
Plus Transfer from Program Adjustment Line Item (GF)	\$3,500
New Total RC Membership Line Item Budget (GF)	\$13,500
The Coalition for America's Gateway	(\$5,000)
CALCOG General Fund Portion	(\$7,283)
Balance	\$1,217

ATTACHMENT:

CAGTC Invoice

T. Gorham
CAGTC Membership
Docs#101331



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

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Coalition for America's Gateways and Trade Corridors

ACS State and Local
Solutions

Alameda Corridor-East
Construction Authority

American Standard
Companies

American Trucking
Associations

Association of American
Railroads

Bechtel Infrastructure
Corporation

DMJM-Harris

Florida East Coast Railway

Florida Trade and Transport
Council

Gateway Cities Council of
Governments

Genesee & Wyoming Inc.

HDR Engineering, Inc.

Intermodal Association of
North America

Los Angeles County
Metropolitan Transportation
Authority

Los Angeles Economic
Development Corporation

Moffatt & Nichol Engineers

National Association of
Regional Councils

National Railroad Construction
and Maintenance Association,
Inc.

OnTrac

Parsons Brinckerhoff

Port of Los Angeles

Port of Oakland

Port of Pittsburgh

Port of Seattle

Port of Stockton

Port of Tacoma

RAILCET

Riverside (Calif.) County
Transportation
Commission

San Bernardino Associated
Governments

Southern California
Association of Governments

Washington State
Department of Transportation

INVOICE

DATE: November 6, 2003

TO: Ms. Annie Nam
SCAG
818 W. Seventh Street
12th Floor
Los Angeles, CA 90017

EIN: 2004 - 24

2004 Membership fee for the Coalition for America's Gateways and Trade
Corridors:

TOTAL

\$5,000.00

1501 M Street, NW Suite 700 Washington, DC 20005
202-828-9100 phone 202-828-9112 fax www.tradecorridors.org

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TOTAL P.02

REPORT

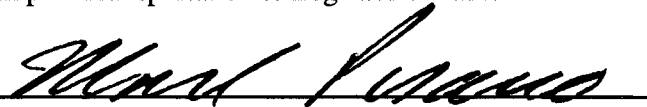
DATE: August 5, 2004

TO: Administration Committee
Regional Council

FROM: Cheryl Collier, Communications Supervisor
(213) 236-1942 collier@scag.ca.gov

SUBJECT: Sponsor 3rd Annual Inland Empire Transportation & Logistics Summit

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

It is recommended that the Regional Council authorize SCAG to be a Silver sponsor of the San Bernardino Community College District 3rd Annual Inland Empire Transportation & Logistics Summit in the amount of \$500.00.

BACKGROUND:

The purpose of the Summit is to spotlight the Inland Empire as the future's most sought after location for business to expand. The Summit focuses on the Inland Empire's inherent transportation and logistics advantages as well as the need for further examination of transportation issues as they relate to growth and infrastructure. Past Summits have attracted well over 500 participants annually and featured speakers such as Ross Perot, Chairman of Perot Systems, Alan Rutter, Administrator of the Federal Railroad Administration and Mark Pisano, the Executive Director of SCAG.

This year's event will feature Jack Kyser, Chief Economist of the Los Angeles Economic Development Corporation and Governor Arnold Schwarzenegger is the invited keynote speaker. An invitation has been extended to SCAG to participate on a question and answer panel moderated by Larry Mallon from California State University, Long Beach. There will also be a tour of the Burlington Northern Santa Fe inter-modal facility.

Beyond area recognition, benefits to SCAG include ten tickets to the event, standard additional benefits including a banner display, a reserve table and program recognition.

FISCAL IMPACT: 

RC Special Projects Line Item Budget (GF)	\$49,000
Co-Sponsorship of UCLA's Extension Public Policy Program 2004 Arrowhead Symposium	(\$8,000)
Co-Sponsorship of Rail-Volution Conference	(\$5,000)
Co-Sponsorship of So. California's Leadership Class XV Tuition, Luncheon, & Graduation	(\$12,500)
Sponsorship of 3 rd Annual Inland Empire Transportation & Logistics Summit	(\$500)
Balance as of August 5, 2004	\$23,000

REPORT

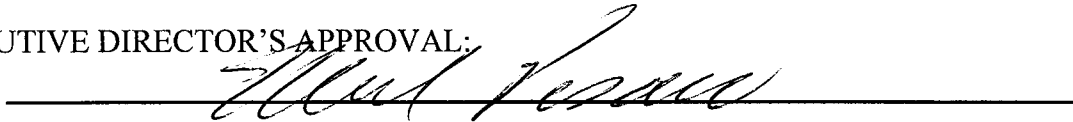
DATE: August 5, 2004

TO: Administration Committee/Regional Council

FROM: Jim Gosnell, Deputy Executive Director
(213) 236-1889, gosnell@scag.ca.gov

SUBJECT: Ratify SCAG Committees and Task Forces

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve all committees, subcommittees, task forces, working groups, technical committees, etc.

BACKGROUND:

The SCAG committees are reviewed on an annual basis to determine if any changes are necessary. The issue was discussed at the RC retreat in June and several recommendations were made. The following proposed changes are shaded on the matrix.

- *Audit & Best Practices Oversight Subcommittee*: add OWP review as objective.
- *Aviation Task Force*: continue with new objective to follow through on decentralized plan recommendation.
- *Communication & Membership Task Force*: change name designation to Subcommittee.
- *Goods Movement Advisory Committee*: Change name designation to Task Force.
- *Growth Visioning Subcommittee*: Initiate a new Growth Visioning Roundtable Task Force that would include partnerships with interest groups, subregions, Urban Land Institute and Fannie Mae.
- *Highway & Transportation Finance Task Force*: Change name to Finance Task Force; meet quarterly to oversee the development of the finance chapter of the Regional Comprehensive Plan & Guide and RTP financial aspects.
- *Nominating Committee*: Become a permanent committee and evolve to create strategies for succession opportunities; increase involvement of board members and leadership development in addition to nominating officers.
- *Personnel Committee*: Change name designation to Subcommittee; expand membership from 3 to 5-7, make permanent.
- *Regional Transportation Demand Management Task Force*: Change to TCM Implementation Subcommittee; Meet quarterly to review HOV, transit and TDM issues.
- *Strategic Plan Implementation Task Force*: Change name designation to Subcommittee.
- *TDA Task Force*: Change name to SCAG / CTC's Relations Committee. New goal: revise SCAG MOU with CTC's.
- *Data / GIS Task Force*: Add elected officials to membership.
- *Modeling Task Force*: Change name designation to Working Group.
- *Regional Transit Task Force*: Change name designation to Advisory Committee.

REPORT

- *Borders Subcommittee*: Add new Subcommittee; reports to Administration Committee.
- *District Evaluations Subcommittee*: Add new Subcommittee; reports to Administration Committee.
- *Regional Comprehensive Plan Task Force*: Add new Task Force; reports to CEHD.
- *ITS Working Group*: Add new Working Group; reports to TCC.

FISCAL IMPACT:

There is no fiscal impact.

DOCS#100412v1 RC memo for committee matrix

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Matrix of Subcommittees and Task Forces
FY 2003 - 2004

Subcommittee/ Task Force	Work Element	Goals / Objectives	Composition	Lead Staff	Meeting Information	Sunset Date or Lifetime	Attendance	Recommendation
			ELECTED OFFICIALS					
Audit and Best Practices Oversight Subcommittee <i>Chair: Hon. Sid Tyler (January, 2003)</i>		Provide guidance regarding internal and external audit issues and implementing Best Practices.	RC	Heather Copp 213-236-1804	Every other month	At discretion of RC	5 meetings 50% attendance	Add OWP review as objective
Aviation Task Force <i>Chair: Hon. Judy Mikels (July, 2002)</i>	05-280 Aviation	Review environmental impacts of adopted plan variants. Recommend an aviation plan variation to be adopted in the 2004 RTP.	Elected Officials, Stakeholder Organizations, Transportation Officials	Alan Thompson 213-236-1940	3 rd Thursday 10:00 am	Work Completed	2 meetings 65% attendance	Continue with new objective to follow through on decentralized plan recommendation
Benchmarks Task Force <i>Chair: Hon. Ron Loveridge (February, 1996)</i>		Provide guidance to the development of performance indicators and benchmarks for SCAG's Regional Comprehensive Plan (RCP) and State of the Region Report.	RC, Subregions, Outside Experts	Ping Chang 213-236-1839	As Needed	Annual Continuing	4 meetings 65% attendance	No Change

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Communication & Membership Task Force <i>Chair: Hon. Bea Proo (1999)</i>		Provide policy direction to communication strategy, issues, and materials.	RC	Barbara Dove 213-236-1861	Monthly, Tuesday before RC 11:00 am	Annual On-going	8 meetings 85% attendance	Change name designation to Subcommittee
Four Corners Policy Committee* <i>Chair: Hon. Gwenn Norton-Perry (July, 2002)</i>	05-060 Corridor Planning	Monitor implementation plan for the recommended preferred strategy for 4 Corners area transportation problems and issues.	Elected Officials, Caltrans	Janet Henderson 213-236-1928	Quarterly on the third Monday at noon	Annual On-going	4 meetings 12% attendance	No Change
Goods Movement Advisory Committee <i>Chair: Hon. Art Brown (August, 2002)</i>	05-130 Goods Movement	Provide policy guidance in developing a more efficient goods movement system including improvements to the ports, trucking and rail systems, intermodal terminal access, and freight logistics.	RC, CTA, Railroads, Airports, Ports, CTCs, CHP, Subregions, Cities, Caltrans, AQMD, Auto Club, ACTA, Teamsters, CARB, Environmental Groups	Nancy Pfeffer 213-236-1869	3 rd Wednesday 9:00-11:00 am	Annual On-going	10 meetings 45% attendance	Change name designation to Task Force
Growth Visioning Subcommittee <i>Chair: Hon. Bev Perry (October, 2002)</i>	05-050 Growth Visioning	Develop a process that assists local, subregional and regional officials in developing strategies to accommodate growth that results in a preferred regional growth scenario.	CEHD, EEC, TCC, Subregions	Mark Butala 213-236-1945	Last Thursday 12 noon – 2 pm	Voted to sunset in March, 2004. Work Completed	6 meetings 70% attendance	Initiate a new Growth Visioning Roundtable Task Force that would include partnerships with interest groups, subregions, Urban Land Institute and Fannie Mae

Highway & Transportation Finance Task Force Chair: Hon. Richard Dixon (October, 2002)	05-015 Transportation Finance	Identify revenue sources; study alternative revenue sources; update financial plan of RTP.	TCC, CTCs, Subregions, Caltrans, ARB	Annie Nam 213-236-1827 Bob Huddy 213 236-1972	3 rd Thursday 12 noon – 2 pm	Work Completed	8 meetings 50% attendance	Change name to Finance Task Force. Meet quarterly to oversee the development of the finance chapter of the Regional Comprehensive Plan & Guide and RTP financial aspects.
Maglev /High Speed Rail Task Force Chair: Hon. Robin Lowe, Vice Chairs: Hon. Michael Antonovich and Hon. Lou Bone (June, 2004)	05-240 Maglev 05-241 Maglev Deployment 1 05-242 Maglev Deployment 3	Implement Intra-Regional Maglev system as defined in the 2001 RTP. Policy oversight for Maglev deployment studies.	Airports, Rail, DOT/FTA, CTCs, Caltrans, Elected, Subregions, HSR, Experts in Field	Zahi Faranesh 213-236-1819	3 rd Wednesday 11:00 am – 1:00 pm	Annual On-going	11 meetings 42% attendance	No Change
Nominating Committee		Nominate Officers	RC	Mark Pisano 213-236-1808	As Needed	Annual On-going	1 meeting 90% attendance	Become a permanent committee and evolve to create strategies for succession opportunities, increase involvement of board members and leadership development in addition to nominating officers.

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Personnel Committee Chair: Hon. Bea Proo (July, 2002)		Provide guidance in implementing personnel and human resources policies.	Administration Committee Members	Jim Gosnell 213 236-1889	As Needed	At discretion of RC	2 meetings 67% attendance	Change name designation to Subcommittee Expand membership from 3 to 5-7, make permanent.
Regional/Subregional Relations Task Force Chair: Hon. Bev Perry (July, 2003)	05-120 OWP Development & Monitoring	Improve communication between SCAG and subregions; define roles and responsibilities.	RC, subregional elected officials, subregional staff	Jim Gosnell 213 236-1889	As Needed	At discretion of RC	Did not meet in FY 03-04	No Change
Regional Transportation Demand Management Task Force Chair: Hon. Lee Ann Garcia (October, 2000)		Facilitate discussion and interaction on traditional and non-traditional TDM issues.	Members, Transit operators, CTCs, Caltrans, Federal funding agencies	Al Bowser 213-236-1843	Monthly	Work Completed	9 meetings 80% attendance	Change to TCM Implementation Subcommittee. Meet quarterly to review HOV, transit and TDM issues
Southwest Compact Task Force Chair: Hon. Greg Pettis (January, 2003)	05-130 Goods Movement	Foster the creation of a southwest regional authority that will support a trade transportation strategy with an economic development component.	Elected Officials, Public Agencies, Private Businesses	Don Rhodes 213 236-1840	3rd Wednesday 12:00 – 2:00	On going	5 meetings 50% attendance	No Change
Strategic Plan Implementation Task Force Chair: Hon. Judy Mikels (December, 2001)		Implement the strategic plan adopted by the RC.	RC	Tonya Gorham 213-236-1988	Quarterly As Needed	At discretion of RC	5 meetings 75% attendance	Change name designation to Subcommittee.

TDA Task Force Chair: Hon. Ron Roberts (2003)		Develop methodologies, with the concurrence of the county transportation commissions, to secure additional TDA funding for SCAG.	RC members that are also members (or alternates) of a CTC	Karen Tachiki 213-236-1816	As Needed	At discretion of RC	Did not meet in FY 03-04	Change name to SCAG / CTC's Relations Committee New goal: revise SCAG MOU with CTC's.
Water Policy Task Force Chair: Hon. Dennis Washburn (November, 2001)	05-320 Watershed Planning	Consider regional stormwater, water quality and water supply issues and recommend policy to EEC. Review water quality studies developed by staff.	EEC, Local Government, Regulatory, Water Agencies, Business	Dan Griset 213-236-1895	2 nd Thursday Bi-monthly	Annual On-going	6 meetings 81% attendance	No Change
			PLANNING PARTNERS, STAFF & EXPERTS					
Aviation Technical Advisory Committee Chair: Bill Ingraham, SB Co Airports (October, 2003)	05-220 Aviation System Planning 05-285 Regional Aviation System Planning	Provide technical support and input on aviation-related issues to SCAG Committees and Task Forces as appropriate.	Airport Managers, FAA, Caltrans, County Depts of Aviation	Ryan Hall 213-236-1987	2 nd Thursday, 10:00 am, meetings held at airports around the region	Annual On-going	8 meetings 60% attendance	No Change
Data / GIS Task Force Chair: Kevin Viera, WRCOG (February, 2002)	05-040 Data 05-045 GIS	Provide data sharing and a forum for discussion of data standards.	Subregions and Outside Experts	Jim Jacob 213- 236-1821	Quarterly	Annual On-going	4 meetings 50% attendance	Add elected officials to membership.

000005

Modeling Task Force <i>Chair: Steve Smith, SANBAG (January, 2004)</i>	05-070 Modeling	Coordinate the Region's various modeling programs, provide a forum to share model-related information, new ideas and discuss data standards.	Caltrans, ARB, Air Districts, EPA, CTCs, FTA, FHWA, Transit Operators	Mike Ainsworth 909-784-1513	Meets every other month	On-going	6 meetings 55% attendance	Change name designation to Working Group
Regional Transit Task Force <i>Chair: Anne Palatino, RTA (October, 2003)</i>	05-140 Transit	Develop performance standards; identify potential future transit corridors, and define re-deployment/restructuring strategy.	Transit Operators, Private CTCs, Private Providers	Sina Zarifi 213-236-1853	4 th Tuesday Monthly 9:00am	Annual On-going	4 meetings 65% attendance	Change name designation to Advisory Committee
Regionally Significant Transportation Investment Study Peer Review Group <i>Chair: Al Bowser, SCAG</i>	05-060 Corridor Planning	Conducts peer agency review and issues Letters of Completion for major transportation investment studies.	Technical staffs of stakeholder and resource agencies	Al Bowser 213 236-1843	3 rd Thursday (every other month) 10:00 am	Annual On-going	6 meetings 75% attendance	No Change
Subregional Coordinators Working Group <i>Chair: Rich Bishop, WRCOG (August, 2001)</i>	05-120 OWP Development & Monitoring	Provide and receive information on current and upcoming SCAG and subregional projects.	Subregional Staff, Caltrans, FHWA	Zahi Faranesh 213 236-1819 Janet Henderson 213 236-1928	4 th Thursday 9:30 – 11:30 am	Annual On-going	11 meetings 64% attendance	No Change

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Technical Advisory Committee for Plans & Programs <i>Co-Chairs: Bill Gayk, CSU Fullerton & Ty Schuiling, SANBAG (October, 2001)</i>	05-010 System Planning	Develop long-range forecasts, develop and improve forecast models, and coordinate regional/subregional forecasting effort. Technical refinement to issue areas: O 7 M, arterials, performance indicators, air quality, technical capabilities, and equity. Address distribution patterns.	Subregions, CTCs, Caltrans, AQMD, Transit Operators, and various experts.	Philip Law 213-236-1841	2 nd Tuesday 10:00 am – 12 noon	Annual On-going	10 meetings 75% attendance	No Change
Transportation Conformity Working Group <i>Chair: Douglas Kim, MTA (January, 2004)</i>	05-025 Air Quality Planning & Conformity	Interagency consultation on surface transportation and air quality conformity, in compliance with federal and state requirements.	FHWA, FTA, EPA, Caltrans, ARB, local transportation, air and transit agencies, private sector	Charles Keynejad 213-236-1915	4 th Tuesday 10:00 am	Annual Continuing	9 meetings 90% attendance	No Change

*Four Corners is not an official SCAG committee.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Matrix of Proposed Subcommittees and Task Forces
FY 2004 - 2005

		ELECTED OFFICIALS					
Borders Subcommittee		Focus on relations with surrounding COG's and Mexico.	Officers, members from areas adjacent to our borders	Don Rhodes 213-236-1840	Quarterly	Annual On-going	N/A Add new Subcommittee
District Evaluations Subcommittee		Evaluate districts based on adopted SCAG by-laws.	Admin	Karen Tachiki 213-236-1816	Monthly	Sunset after redistricting	N/A Add new Subcommittee
Regional Comprehensive Plan Task Force	05-035 Regional Comprehensive Plan & Guide	Guide the completion of the Regional Comprehensive Plan during FY 05 and 06 and advise the RC on eventual adoption of the Plan.	RC, subregions	Jacob Lieb 213-236-1921	Monthly	At discretion of RC	N/A Add new Task Force
			PLANNING PARTNERS, STAFF & EXPERTS				
ITS Working Group	05-100, 05-250, 05-251 ITS 05-255 Regional ITS Architecture	Review and approve ITS Architecture plans.	CTCs, Caltrans	Bob Huddy 213-236-1972	Monthly	June 2006	N/A Add new Working Group

REPORT

DATE: August 5, 2004

TO: Administration Committee/Regional Council

FROM: Janet Henderson, Acting Lead Regional Planner
(213) 236-1928, henderso@scag.ca.gov

SUBJECT: Fiscal Year 2004-05 Overall Work Program Administrative Amendment

BACKGROUND:

Three of the subregions have requested corrections be made to their projects in the final OWP. Coachella Valley has decided to provide soft match instead of cash match. North Los Angeles and San Gabriel Valley will have staff completing their projects instead of consultants.

SCAG has made some minor adjustments breaking out the staff line item in more detail for temporary staff, direct, and indirect costs.

A correction was also made to the match for a new FAA grant. SCAG has just received notification that the match requirements have been reduced for this fiscal year.

Caltrans has agreed to allow these corrections through the administrative amendment process.

FISCAL IMPACT: *Yh*

There is no fiscal impact.

DOCS#100415v1 RC memo for 04-05 OWP Administrative Amendment

REPORT

DATE: July 19, 2004

TO: Administration Committee
Regional Council

FROM: Sam Mehta, Contracts Manager (213) 236-1813
Email: mehta@scag.ca.gov

SUBJECT: Contracts and Purchase Orders Between \$5,000 - \$25,000

RECOMMENDED ACTION: Information Only

SUMMARY:

SCAG executed the following contract between \$5,000 and \$25,000

- UC Santa Barbara \$19,000
Land Use and Water Quality Research Study
Funding Source: FHWA

The Executive Director executed the following Purchase Orders between \$5,000 and \$25,000

- Media Fabricators \$13,698
Projector, Multimedia, LCD
Funding Source: Indirect Overhead
- Cal State Long Beach \$ 5,000
Economic Forecast Report & Presentation
Funding Source: Sponsorship & Registration Income
- Cal State Fullerton \$ 5,000
Economic Forecast Report & Presentation
Funding Source: Sponsorship & Registration Income
- PBCC \$18,524
Existing Lease of Postage Equipment
Funding Source: Indirect Overhead
- Data Vault American Vault-Inc. \$ 6,000
Offsite Storage of Tapes
Funding Source: Indirect Overhead
- Behr Consulting \$ 7,000
Security & Network Support
Funding Source: Indirect Overhead
- Sparkletts \$ 7,000
Coffee & Refreshment Services
Funding Source: Indirect Overhead

REPORT

- Nobel Systems \$22,800
Assessors Data
Funding Source: State Housing Development &
Community Development Grant
- Aerials Express \$ 5,221
Aerial Imagery – Antelope Valley
Funding Source: State Housing Development &
Community Development Grant
- Executive Office Concepts \$13,788
Tables, for Conference Rooms
Funding Source: Indirect Overhead
- Ametron Audio/Video Inc. \$10,871
Microphones
Funding Source: Indirect Overhead
- SAS Institute, Inc. \$ 9,710
SAS Software Support Renewal
Funding Source: Indirect Overhead
- Graphic Resources Corp. \$11,252
Plotter, HP DesignJet
Funding Source: Indirect Overhead

BACKGROUND:

Pursuant to the recommendations from the Best Practices Contracts Committee and KMPG, the Regional Council approved the execution by the Executive Director, Purchase Orders between \$5,000 and \$25,000 and the listing of all such Contracts and purchase orders on the agenda as information only.

REPORT

DATE: July 19, 2004

TO: Administration Committee
Regional Council

FROM: Sam Mehta, Manager; Contracts (213) 236-1813
Email: Mehta@scag.ca.gov

SUBJECT: Conflict of Interest Listing

RECOMMENDED ACTION: Information Only

Listing of all agenda items involving consultants, vendors, or other groups to all members to determine whether they have conflicts

Item

3.1.2

- David Evans and Associates
- Fregonese Calthorpe Associates
 - Sub: - Calthorpe Associates
 - Sub: - System Metrics Group
 - Sub: - Valencia, Perez, Echeveste
 - Sub: - Urban Reinventions
 - Sub: - Landtrans
- AG/HP – Touchstone Lake, LLC
- The Patina Group

3.2.1

- UC Santa Barbara
- Media Fabricators
- Cal State Long Beach
- Cal State Fullerton
- PBCC
- Data Vault American Vault-Inc.
- Behr Consulting
- Sparkletts
- Nobel Systems
- Aerials Express
- Executive Office Concepts
- Ametron Audio/Video, Inc.
- SAS Institute, Inc.
- Graphic Resources Corp.

MEMO

DATE: August 5, 2004
TO: Regional Council
FROM: Charlotte Pienkos, Government Affairs Analyst
Phone: (213) 236-1811 E-Mail: eckelbec@scag.ca.gov
SUBJECT: State Legislative Matrix

SUMMARY:

Attached to this memorandum are the bills and constitutional amendments of interest to the Regional Council, as well as a matrix tracking the Top Five bills of interest to SCAG at present. SCAG's positions are noted, as well as those of other agencies, where available.

Progress on legislation in Sacramento has been largely halted, as it is most years, as the Big Five work to resolve the budget impasse. As of this writing, the state budget is now several weeks overdue, with no summer recess having taken place. On the horizon, fiscal committees must report bills to the floor by August 13th. The Legislature may only meet on the floor from August 16th through the 31st. The last day for each house to pass bills is August 31st.

CAP#98918



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

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Bill, Author and Staff Contact	Description	Relevance to SCAG Region	Positions	Status and Hearing Date	Notes
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Housing

AB 2158 (Lowenthal) Staff: Mark Stivers (916) 445-8740	RHNA reform bill.	SCAG is statutorily required to produce the RHNA for the SCAG region.	SCAG-Support; CSAC and CALCOG--Support.	Senate Appropriations Suspense File.	SCAG actively participated in the Lowenthal Working Group on RHNA reform.
AB 2348 (Mullin) Staff: Mark Stivers (916) 445-8740	RHNA reform bill.	SCAG is statutorily required to produce the RHNA for the SCAG region.	RC-Support; CSAC-Pending.	Senate Appropriations Suspense File.	SCAG actively participated in the Lowenthal Working Group on RHNA reform.

Energy and Environment

AB 2042 (Lowenthal) Staff: Josh Tooker (916) 319-2054	Requires SCAQMD to set baseline for emissions at Ports of Long Beach and Los Angeles. Requires SCAQMD and the ports to enter an MOU to implement emission controls.	Ports of Long Beach and Los Angeles located in SCAG region; goods movement central to regional economy; air quality affected.	EEC Info Item 6/3/04. City of Long Beach-Support. Ports - Oppose.	Senate Appropriations 8/2/04 10:00 am.	
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Transportation

AB 3048 (Oropeza) Staff: Andrew Antwih (916) 319-2093	States the intent of the Legislature to explore the use of alternative financing methods for transportation projects.	SCAG bill.		Assembly Unfinished Business.	
SB 1210 (Torlakson) Staff: Robert Oakes (916) 445-6083	Authorizes Caltrans to conduct a pilot project to let design-sequencing contracts for the design and construction of not more than 12 transportation projects to be selected by Director of Caltrans.	Design-sequencing a priority of CFEE and necessary for faster and improved project delivery.	OCTA-Support; Metrolink-Seek Amendment for rail projects.	Assembly Third Reading, File 161.	
SB 1793 (McPherson) Staff: Mari Lane (916) 445-5843	Expresses intent of Legislature to explore the use of alternative methods of financing and delivering transportation projects, including design build, design sequencing, and various forms of private financing, including tolls.	Design-sequencing a priority of CFEE and necessary for faster and improved project delivery.		Assembly Third Reading, File 162.	

Private file: AirQuality

CA AB 1971 **AUTHOR:** Lowenthal (D)
TITLE: Air Pollution: Marine Terminals
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/12/2004
LAST AMEND: 07/12/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:
Relates to requirements that each marine terminal in the state operate in a manner that does not cause the engines on trucks to idle or queue for more than 30 minutes while waiting to load or unload at the terminal. Makes several clarifying changes to those provisions regarding the application of the above requirements with respect to both idling and queuing. Requires air control districts to make a determination with regard to queuing trucks.
STATUS:
07/12/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
NOTES: Lowenthal Staff: Josh Tooker (916) 319-2054
COMMENTARY:
In 2003, SCAG supported the original Lowenthal bill that created the idling and queuing prohibition, AB 2650.
Position: SCAG-Sup 04/07/2004

CA AB 2042 **AUTHOR:** Lowenthal (D)
TITLE: Ports: Port of Los Angeles: Port of Long Beach
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2004
LAST AMEND: 07/12/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:
Requires the South Coast Air Quality District to establish a baseline for air quality for the Ports of Los Angeles and Long Beach. Provides the baselines would be based on data regarding emissions from oceangoing vessels, harbor craft, cargo handling equipment, rail locomotives and commercial motor vehicles. Requires the district, the two ports and the Air Resources Board to develop and enter into a memorandum of understanding to implement emission control measures at those ports.
STATUS:
07/12/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
NOTES: Lowenthal Staff: Josh Tooker (916) 319-2054
COMMENTARY:
Considered by the EEC 5/6/04 and 6/3/04. Amendment submitted to Assembly Member Lowenthal adding SCAG to the groups consulted in the MOA and including user-supported, dedicated infrastructure among possible emission control measures.

CA AB 2628 **AUTHOR:** Pavley (D)
TITLE: Vehicles: Preferential Lanes
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 07/15/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:
Includes a 2004 model year ultra-low emission vehicle and a hybrid vehicle that meets the State's advanced technology partial zero-emission vehicle standard for criteria pollutant emissions and has a 45 miles per gallon or greater fuel economy highway rating and a hybrid vehicle that was produced during the 2004 model year or earlier and has a 45 miles per gallon or greater fuel highway rating and ultra- and super ultra-low emission vehicles to list of vehicle using HOV lanes.
STATUS:

000065

07/15/2004 From SENATE Committee on APPROPRIATIONS with author's amendments.
 07/15/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
Position: CALCOG-Opp, SCAG-Opp 06/03/2004

CA SB 1397

AUTHOR: Escutia (D)
TITLE: Air Pollution: South Coast Air Quality Management
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2004
LAST AMEND: 06/29/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:

Authorizes the South Coast Air Quality Management District to adopt regulations requiring the owner or lessee of a heavy-duty motor vehicle, or non-road engine or vehicle to install retrofit controls to reduce air emissions if that vehicle or engine operates substantially in a rail yard of the district and is part of a fleet of 15 or more vehicles or engines. Requires the district to establish fair share emission reduction targets for locomotives and conduct public workshops.

STATUS:

06/29/2004 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.

06/29/2004 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

NOTES: Escutia Staff: William Sanchez (916) 445-3090

COMMENTARY:

SB 1397 relates to air pollution and goods movement in the SCAB and SCAG regions. SCAG has statutory obligations in area of air quality in the AQMP. SB 1397 is similar to AB 1058 (Pavley), which died on concurrence in 2002 and would have taken similar steps in mobile source emissions from automobiles. SCAG did not take a position on AB 1058. Related SCAG policy can be found in the 2004 Legislative Program and in the 2004 RTP EIR/EIS.

Private file: EconomicDevelopment

CA AB 1855

AUTHOR: Maze (R)
TITLE: Infrastructure and Economic Development Bank
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/29/2004
LAST AMEND: 04/28/2004
LOCATION: Enrolled
SUMMARY:

Relates to the Bergeson-Peace Infrastructure and Economic Development Bank Act that requires the California Infrastructure and Economic Development Bank to establish criteria, priorities and guidelines for the selection of projects to receive assistance from the bank. Requires the bank to notify the Governor and the legislative fiscal and policy committees when it establishes or makes changes to the criteria, priorities and guidelines.

STATUS:

07/12/2004 In SENATE. Read third time. Passed SENATE. To enrollment.

07/12/2004 Enrolled.

Private file: Energy

CA AB 2006

AUTHOR: Nunez (D)
TITLE: Reliable Electric Service Act of 2004
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/13/2004
LAST AMEND: 07/06/2004
LOCATION: Senate Rules Committee
SUMMARY:

Authorizes the Public Utilities Commission to adopt rules and regulations to implement a core and noncore model under which an electric utility's noncore customers may elect to receive electric service from the electrical corporation or an electric service provider. Requires such corporations to file at least every 3 years, and for the PUC to approve, a specified long-term integrated

resource plan. Provides for the recovery of initial capital investment made pursuant to the plan.

STATUS:

07/06/2004

In SENATE. Read second time and amended. Re-referred to Committee on RULES.

Private file: Environment

CA AB 2055

AUTHOR: Wolk (D)
TITLE: General Plan Elements
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2004
LAST AMEND: 07/14/2004
FILE: 212
LOCATION: Senate Third Reading File
SUMMARY:

Provides the conservation element may include the conservation of agricultural lands. Provides the open space element, which would be renamed as a agricultural and open space element, is the component of a county or city general plan adopted by the legislative body. Provides subjects that may be included in the agricultural and open-space element.

STATUS:

07/15/2004

In SENATE. Read second time. To third reading.

CA AB 2251

AUTHOR: Lowenthal (D)
TITLE: California Environmental Quality Act
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/19/2004
LAST AMEND: 06/30/2004
FILE: A-36
LOCATION: Senate Inactive File
SUMMARY:

Prohibits the use of a master environmental impact report if the filing of an application for the subsequent project occurs following the certification of the master environmental impact report and the approval of a project that was not described in the master environmental impact report may affect the adequacy of the environmental review in the master environmental impact report for any subsequent project to review a subsequent project that was described in the impact report.

STATUS:

07/01/2004

In SENATE. To Inactive File.

Private file: Housing

CA AB 2158

AUTHOR: Lowenthal (D)
TITLE: Housing Elements: Regional Housing Need
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2004
LAST AMEND: 06/24/2004
LOCATION: Senate Appropriations Committee
SUMMARY:

Relates to city, county or city and county general plan housing element. Revises the procedures for determining shares of the existing and projected regional housing need for cities, counties and subregions at all income levels.

STATUS:

07/12/2004

In SENATE Committee on APPROPRIATIONS: To Suspense File.

COMMENTARY:

SCAG staff participates on the Lowenthal Working Group that crafted this bill.

Position:

CSAC-Sup, SCAG-Sup 06/03/2004

CA AB 2348

AUTHOR: Mullin (D)
TITLE: Housing Element: Regional Housing Need
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/19/2004

000067

LAST AMEND: 06/24/2004
LOCATION: Senate Appropriations Committee

SUMMARY:

Revises the criteria for the inventory of sites that can be developed for housing within the planning board to accommodate that portion of a city's or county's share of regional housing need for all income levels. Expands the relocation assistance available to persons displaced by sites identified for substantial rehabilitation. Revises the requirements that may be imposed on a development project that contributes to the housing need.

STATUS:

07/12/2004 In SENATE Committee on APPROPRIATIONS: To Suspense File.

COMMENTARY:

SCAG Staff participates in the Lowenthal Working Group that drafted AB 2348.

Position: CSAC-Pending, SCAG-Sup 06/03/2004

CA AB 2702

AUTHOR: Steinberg (D)
TITLE: Housing: Second Units
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 05/25/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:

Provides that a local agency may not preclude or effectively preclude 2nd units unless the local agency makes findings based on substantial evidence. Prohibits certain related ordinances. Prohibits a local agency from establishing minimum unit size requirements for attached or detached 2nd units below 550 livable square feet unless requested by the owner. Revises the parking requirements for 2nd units. Relates to incentives for housing developers.

STATUS:

06/21/2004 From SENATE Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on APPROPRIATIONS.

Position: CSAC-Opp, SCAG-Opp 06/03/2004

CA SB 744

AUTHOR: Dunn (D)
TITLE: Planning: Housing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2003
LAST AMEND: 05/25/2004
LOCATION: Assembly Local Government Committee
SUMMARY:

Establishes within the Department of Housing and Community Development a Housing Accountability Committee consisting of 5 appointed members to hear appeals of city, county or city and county decisions on applications for the construction of housing developments that meet specified affordability requirements.

STATUS:

06/09/2004 In ASSEMBLY Committee on LOCAL GOVERNMENT: Not heard.

Position: CSAC-Opp, League-Opp, SCAG-Opp 06/03/2004

CA SB 898

AUTHOR: Burton (D)
TITLE: Schoolsite Replacement Housing
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2003
LAST AMEND: 06/30/2004
FILE: 170
LOCATION: Assembly Third Reading File
SUMMARY:

Authorizes a school district, community college district, or an eligible nonprofit corporation to acquire real property for to replace dwelling units displaced by a new schoolsite under the same conditions and requirements as a local governing agency. Requires that the acquisition be from a willing seller.

STATUS:

07/01/2004 In ASSEMBLY. Read second time. To third reading.

Position: League-Opp

000068

CA SB 1145 **AUTHOR:** Burton (D)
TITLE: Tenancy
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/22/2004
LAST AMEND: 06/08/2004
FILE: 30
LOCATION: Senate Unfinished Business
SUMMARY:
Extends indefinitely existing law which requires that if a landlord increases the rent of a month-to-month tenancy in excess of 10% of the amount of the rent charged to a tenant annually, the landlord shall provide an additional 30-days' notice prior to the effective date of the increase. Modifies the list of statements a landlord must provide a tenant to delete a required statement regarding a claim of security.
STATUS:
06/24/2004 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE for concurrence.

CA SB 1592 **AUTHOR:** Torlakson (D)
TITLE: Local Planning
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 06/09/2004
LOCATION: Assembly Local Government Committee
SUMMARY:
Requires each city and each county to adopt or amend an infill ordinance or a specific plan for infill development that identifies potential infill sites and specifies appropriate zoning to encourage infill development on vacant and underutilized parcels. Requires the infill ordinance or specific plan to provide at least 5 incentives for infill housing from a specified list of 10 incentives. Requires each city and county to comply within a certain time period.
STATUS:
06/16/2004 In ASSEMBLY Committee on LOCAL GOVERNMENT: Not heard.
Position: CSAC-Pending

CA SB 1818 **AUTHOR:** Hollingsworth (R)
TITLE: Density Bonuses
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 06/29/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:
Relates to the Planning and Zoning Law which requires, when a housing developer proposes a development, that the city or county provide the developer with a density bonus or other incentives for the production of lower income housing units if the developer meets certain requirements. Requires that the local government provide a density bonus, incentives or concessions for the production of housing or child care facilities.
STATUS:
06/29/2004 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

Private file: LocalFinance

CA SB 1212 **AUTHOR:** Ducheny (D)
TITLE: Local Government Finance
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/11/2004
LAST AMEND: 06/28/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:
Provides that beginning with the 2005-06 fiscal year, an indefinite offset of the vehicle license fee by 67.5% and eliminates reimbursement payments to counties and cities that are required under

the Vehicle License Fee Law. Requires each county and city annually receive, beginning with the 2005-06 fiscal year, a defined base amount. Reduces these payments if the vehicle license fee is increased.

STATUS:

06/28/2004

In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

NOTES:

Moreno Ducheny Staff: Mark Stivers (916) 445-8740

COMMENTARY:

The 2004 Legislative Program calls for SCAG to monitor local finance legislation via groups like the League of California Cities to preserve SCAG resources. SB 1212 attempts to minimize the fiscalization of land use, a traditional SCAG issue. SCAG opposed AB 1221 (Steinberg) in 2003 that would have effected a tax swap to stabilize the tax base.

CA SCA 9

AUTHOR:

Torlakson (D)

TITLE:

Local Government Finance

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/20/2003

LAST AMEND:

07/13/2004

COMMITTEE:

Senate Appropriations Committee

HEARING:

07/19/2004 1:30 pm

SUMMARY:

Proposes an amendment to the Constitution to prohibit the Legislature from enacting a statute modifying the apportioning of ad valorem property tax revenues to reduce the percentage collected countywide and allocated among local agencies, to require revenues derived from the Bradley-Burns Uniform Sales and Use Tax Law and the Transactions and Use Tax Law to remain with local entities and to require the funding of local costs for mandates or to suspend the mandate.

STATUS:

07/14/2004

From SENATE Committee on CONSTITUTIONAL AMENDMENTS: Be adopted to Committee on APPROPRIATIONS.

Private file: SCAG

CA AB 2207

AUTHOR:

Levine (D)

TITLE:

Statistical Districts: San Fernando Valley

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/18/2004

LAST AMEND:

05/20/2004

LOCATION:

To Governor

SUMMARY:

Requires any state agency or department that develops and maintains data and statistics on the municipal level, to make a separate breakdown of the San Fernando Valley, in the preparation and maintenance of any statistical analyses by city. Authorizes state agencies to require the City of Los Angeles to provide all necessary data. Provides for an alternative method be used to determine the separate breakdown if a tax area code is used in the analysis.

STATUS:

07/08/2004

*****To GOVERNOR.

COMMENTARY:

The statistical data that will be provided as the result of enactment of AB 2207 will assist SCAG's planning efforts.

Position:

SCAG-Sup 04/02/2004

Private file: SolidWaste

CA AB 1873

AUTHOR:

Hancock (D)

TITLE:

Solid Waste: Recycling Market Development

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/03/2004

LAST AMEND:

05/20/2004

LOCATION:

Senate Appropriations Committee

SUMMARY:

Extends the operation and repeal of the Recycling Market Development Revolving Loan Program,

000070

including the extension of the operation and repeal of the continuously appropriated subaccount thereby continuing the effect of the program indefinitely.

STATUS:

06/28/2004

In SENATE Committee on APPROPRIATIONS: To Suspense File.

Position:

CSAC-Watch

CA SB 537

AUTHOR:

Romero (D)

TITLE:

Solid Waste: Los Angeles County Sanitation

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/20/2003

LAST AMEND:

06/09/2004

LOCATION:

Assembly Local Government Committee

SUMMARY:

Prohibits the siting of a new materials recovery facility designed to receive greater than 4,000 tons per day within Los Angeles County prior to 2015. Requires the board of directors of each sanitation district in the county to adopt a final annual budget within prescribed categories. Requires the board to deposit at least a certain amount of money annually into the district's Air Pollution Mitigation Fund for projects upon agreement with the South Coast Air Quality Control Board.

STATUS:

06/23/2004

In ASSEMBLY Committee on LOCAL GOVERNMENT: Heard, remains in Committee.

Position:

CSAC-Watch, League-Opp

Private file: Transportation

CA AB 1663

AUTHOR:

Dutra (D)

TITLE:

Vehicle Additional Registration Fees

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/21/2003

LAST AMEND:

07/01/2004

FILE:

148

LOCATION:

Senate Third Reading File

SUMMARY:

Relates to the additional fees charged on all commercial motor vehicles for vehicle registration used for vehicle theft crime programs, to extend the repeal date for such fees. Requires each participating county to issue a fiscal year-end report to the Controller, summarizing certain matters. Provides if a county fails to submit the report, the authority to collect the fee would be suspended. Requires the review of such reports to determine if the fee revenues are being utilized as required.

STATUS:

07/02/2004

In SENATE. Read second time. To third reading.

Position:

League-Sup

CA AB 2024

AUTHOR:

Bermudez (D)

TITLE:

Ports: Transportation Network

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

02/13/2004

LAST AMEND:

07/06/2004

COMMITTEE:

Senate Appropriations Committee

HEARING:

08/02/2004 10:00 am

SUMMARY:

Requires the ports of Los Angeles and Long Beach to evaluate changes in goods movement network to gauge adherence by these ports to certain state goals relative to utilization of and congestion at ports and to collect statistics regarding compliance with federal, state and local efforts to achieve certain related objectives. Requires the Business, Transportation and Housing Agency to implement added incentives for movement of port related cargo during certain hours.

STATUS:

07/06/2004

In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

NOTES:

Bermudez Staff: Paul Gonsalves (916) 319-2056

COMMENTARY:

000071

Similar to AB 2041 (Lowenthal).

CA AB 2032	AUTHOR: Dutra (D) TITLE: HOT Lanes: Demonstration Projects FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/13/2004 LAST AMEND: 07/08/2004 COMMITTEE: Senate Appropriations Committee HEARING: 08/02/2004 10:00 am SUMMARY:
	<p>Authorizes the Sunol Smart Carpool Lane Joint Powers Authority and the Santa Clara Valley Transportation Authority undertake value pricing programs involving various HOT lanes under the jurisdiction of these sponsoring agencies. Requires net toll revenue generated by each program after payment of direct expenses to be allocated to the construction of high occupancy vehicle facilities and transit services improvement.</p>
	STATUS: 07/08/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. Position: CALCOG-Sup
CA AB 2041	AUTHOR: Lowenthal (D) TITLE: Ports: Congestion FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/17/2004 LAST AMEND: 05/06/2004 COMMITTEE: Senate Appropriations Committee HEARING: 08/02/2004 10:00 am SUMMARY:
	<p>Establishes the Port Congestion Management District governed by a board consisting of members appointed by, and serving indefinite terms at the pleasure of, the Secretary of Business, Transportation and Housing. Requires the board to establish a charge for the privilege of transporting cargo by commercial motor vehicle into or out of the Port of Los Angeles or the Port of Long Beach. Establishes a Port Congestion Management Fund. Requires certain reports from such ports.</p>
	STATUS: 06/29/2004 From SENATE Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS. NOTES: Lowenthal Staff: Josh Tooker (916) 319-2054 COMMENTARY:
	Similar to AB 2024 (Bermudez).
CA AB 2043	AUTHOR: Lowenthal (D) TITLE: Maritime Port Strategic Master Plan Task Force FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 02/17/2004 LAST AMEND: 07/07/2004 COMMITTEE: Senate Appropriations Committee HEARING: 07/19/2004 1:30 pm SUMMARY:
	<p>Requires the California Marine and Intermodel Transportation System Advisory Council to meet on an unspecified basis, hold public hearings, and compile data on certain issues relating to the growth and congestion of maritime ports. Requires the council to compile specified information and submit its findings to the Legislature on methods to better manage that growth and the environmental impact of moving goods through ports.</p>
	STATUS: 07/07/2004 From SENATE Committee on APPROPRIATIONS with author's amendments. 07/07/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. NOTES: Lowenthal Staff: Josh Tooker (916) 319-2054
CA AB 2628	AUTHOR: Pavley (D)

000072

TITLE: Vehicles: Preferential Lanes
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 07/15/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:

Includes a 2004 model year ultra-low emission vehicle and a hybrid vehicle that meets the State's advanced technology partial zero-emission vehicle standard for criteria pollutant emissions and has a 45 miles per gallon or greater fuel economy highway rating and a hybrid vehicle that was produced during the 2004 model year or earlier and has a 45 miles per gallon or greater fuel highway rating and ultra- and super ultra-low emission vehicles to list of vehicle using HOV lanes.

STATUS:

07/15/2004 From SENATE Committee on APPROPRIATIONS with author's amendments.
 07/15/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
Position: CALCOG-Opp

CA AB 2880

AUTHOR: Pavley (D)
TITLE: Vehicles: Registration: Fees: Increase
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 07/15/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:

Increases the motor vehicle registration surcharge that offsets the costs of the Carl Moyer Memorial Air Quality Standards Attainment Program for projects to reduce oxides of nitrogen from heavy-duty mobile sources and the Voluntary Accelerated Light-Duty Vehicle Retirement Program that provide incentives for the retirement of passenger motor vehicles. Requires the Sacramento Metropolitan Air Quality Management District to use the funds for air quality improvements. Relates to school buses.

STATUS:

07/15/2004 From SENATE Committee on APPROPRIATIONS with author's amendments.
 07/15/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA AB 3047

AUTHOR: Assembly Transportation Committee
TITLE: Transportation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 03/01/2004
LAST AMEND: 07/15/2004
COMMITTEE: Senate Appropriations Committee
HEARING: 08/02/2004 10:00 am
SUMMARY:

Authorizes the Transportation Commission to relinquish portions of certain highways to specified local agencies. Revises projects supported by the toll surcharge on bay area toll bridges. Relates to the statement on a smog certificate upon the transfer of a motor vehicle. Relates to provisions governing the traffic violation point system. Relates to the provisions governing the fee for abatement of abandoned vehicles. Relates to placards and plates for disabled persons.

STATUS:

07/15/2004 From SENATE Committee on APPROPRIATIONS with author's amendments.
 07/15/2004 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA AB 3048

AUTHOR: Oropeza (D)
TITLE: Transportation Financing: Alternate Methods
FISCAL COMMITTEE: no

000073

URGENCY CLAUSE: no
INTRODUCED: 03/01/2004
LAST AMEND: 06/22/2004
FILE: 87
LOCATION: Assembly Unfinished Business - Concurrence in Senate Amendments
SUMMARY:
 States the intent of the Legislature to explore the use of alternative financing methods for transportation projects.
STATUS:
 07/12/2004 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.

CA SB 924 **AUTHOR:** Karnette (D)
TITLE: Global Gateways Development Council
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2003
LAST AMEND: 06/24/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:
 Establishes the Global Gateways Development Council in Business, Transportation and Housing Agency, to review and collect data and information concerning the needs of commercial transportation and to advise the Legislature, the agency, the Transportation Commission, and regional transportation planning agencies in that regard. Requires the council to report annually to the Governor on the condition of the State's goods movement transportation system.
STATUS:
 06/24/2004 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 1087 **AUTHOR:** Soto (D)
TITLE: Highways: Safe Routes To School Construction
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/05/2004
LAST AMEND: 06/24/2004
LOCATION: Assembly Appropriations Committee
SUMMARY:
 Extends the repeal date of projects for the improvement of highway safety and the reduction of traffic congestion. Extends the operation of the Safe Routes to School construction program.
STATUS:
 06/24/2004 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
Position: CSAC-Watch

CA SB 1210 **AUTHOR:** Torlakson (D)
TITLE: Transportation Financing: Alternate Methods
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/10/2004
LAST AMEND: 06/23/2004
FILE: 161
LOCATION: Assembly Third Reading File
SUMMARY:
 Authorizes the Department of Transportation to conduct a pilot project to let design-sequencing contracts for the design and construction of not more than 12 transportation projects, to be selected by the Director of Transportation.
STATUS:
 06/29/2004 In ASSEMBLY. Read second time. To third reading.

CA SB 1759 **AUTHOR:** Denham (R)
TITLE: Transportation: Finance
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/20/2004
LAST AMEND: 04/01/2004

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LOCATION: Senate Transportation Committee**SUMMARY:**

Deletes the requirement that money deposited in the State Highway Account in the State Transportation Fund that is not subject to constitutional requirements to be used for any transportation purpose be transferred to the Public Transportation Account in the State Transportation Fund. Includes money derived from the sale of buildings and other real property within the description of items not subject to constitutional requirements.

STATUS:

04/27/2004

In SENATE Committee on TRANSPORTATION: Failed passage.

04/27/2004

In SENATE Committee on TRANSPORTATION: Reconsideration granted.

Position:

CALCOG-Sup

CA SB 1793

AUTHOR:

McPherson (R)

TITLE:

Public Contracts: Design-Build Contracting

FISCAL COMMITTEE:

no

URGENCY CLAUSE:

no

INTRODUCED:

02/20/2004

LAST AMEND:

06/23/2004

FILE:

162

LOCATION:

Assembly Third Reading File

SUMMARY:

Expresses the intent of the Legislature to explore the use of alternative methods of financing and delivering transportation projects in the state, including design build, design sequencing and various forms of private financing, including tolls.

STATUS:

06/29/2004

In ASSEMBLY. Read second time. To third reading.

CA SCA 11

AUTHOR:

Alarcon (D)

TITLE:

Local Government: Transactions and Use Taxes

FISCAL COMMITTEE:

no

URGENCY CLAUSE:

no

INTRODUCED:

02/26/2003

LAST AMEND:

03/23/2004

FILE:

37

LOCATION:

Senate Third Reading File

SUMMARY:

Authorizes a local government authorized to incur indebtedness for infrastructure projects to incur, with the approval of 55% of its voters, indebtedness in the form of general obligation bonds to fund infrastructure projects, including construction of affordable housing for persons of very low, low, and moderate income, transportation enhancement activities, acquisitions of land for open-space use, and other infrastructure projects.

STATUS:

06/24/2004

In SENATE. Read second time. To third reading.

Position:

CSAC-Pending, League-Sup

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REPORT

DATE: August 5, 2004

TO: Administration Committee/Regional Council

FROM: Janet Henderson, Acting Lead Regional Planner
(213) 236-1928, henderso@scag.ca.gov

SUBJECT: Fiscal Year 2005-06 Overall Work Program Development Schedule

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve Fiscal Year (FY) 2005-06 Overall Work Program development schedule.

BACKGROUND:

Completion of the Overall Work Program takes a significant amount of time and coordination. To ensure all Caltrans and FHWA deadlines are met, a schedule has been developed to keep the process on track. Distribution of a schedule will also assist the Regional Council, subregions, Caltrans, FHWA and SCAG in knowing what the upcoming requirements are.

FISCAL IMPACT:

There is no fiscal impact.

DOCS#100413v1 RC memo for 05-06 OWP development schedule



Draft

FY 2005-06 Overall Work Program Development Schedule

Task	Agency	Final Completion
Staff drafts schedule for FY 05-06 OWP	SCAG	June 22, 2004
Review draft schedule	Subregions	June 24, 2004
Management approves draft schedule	SCAG	July 13, 2004
Draft schedule finalized for RC mailing	SCAG	July 16, 2004
OWP schedule is approved	RC	August 5, 2004
Priorities material for September RC	SCAG	August 13, 2004
Discuss priorities with subregions	SCAG & Subregions	August 26, 2004
Request for priorities is made to RC	SCAG	September 2, 2004
Proposed priorities are due	RC	September 9, 2004
Priorities are drafted	SCAG	September 13, 2004
Memo for October RC on priorities	SCAG	September 17, 2004
Discuss priorities with subregions	SCAG & Subregions	September 23, 2004
RC approves final priorities	RC	October 7, 2004
Subregional & staff projects requested	SCAG	October 11, 2004
Subregional meetings on projects	SCAG & Subregions	October 18, 2004
Subregional project proposal write-ups due	Subregions	November 12, 2004
Staff project proposal write-ups due	SCAG	November 12, 2004
Project selection completed	SCAG	December 7, 2004
OWP document drafted	SCAG	January 28, 2005
Draft OWP finalized for RC mailing	SCAG	February 11, 2005
Draft OWP printing	SCAG	February 16, 2005
RC mailing	SCAG	February 17, 2005
ICAP to Caltrans	SCAG	February 28, 2005

Draft
FY 2005-06 Overall Work Program Development Schedule

Task	Agency	Final Completion
Draft document sent to Caltrans per Handbook	SCAG	March 1, 2005
Approve release of draft OWP for comment	RC	March 3, 2005
Document released for public comment	SCAG	March 3, 2005
Public comment period closes	SCAG	April 3, 2005
Comments are responded to	SCAG	April 11, 2005
Finalize OWP based on comments	SCAG	April 15, 2005
Print final OWP for RC mailing	SCAG	April 18, 2005
IPG meeting	All	April, 2005
Mail to RC	SCAG	April 21, 2005
Submit final OWP to Caltrans per Handbook	SCAG	May 1, 2005
Approval of final OWP	RC	May 5, 2005
Caltrans submits approval of OWP to FHWA	Caltrans	June 1, 2005
FHWA provides approval to Caltrans	FHWA	June 30, 2005
Caltrans approves OWP	Caltrans	June 30, 2005

REPORT

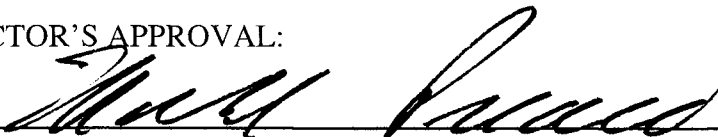
DATE: July 15, 2004

TO: Administration Committee
Regional Council

FROM: Chief Counsel

SUBJECT: Disposition of the Rideshare and TranStar Program and Assets

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDATION: Authorization for the Executive Director to terminate the TranStar License Agreement with The Partnership and to enter into appropriate agreements including a Memorandum of Understanding with the County Transportation Commissions to finally dispose of the Rideshare and TranStar programs and Assets.

BACKGROUND: In prior years, SCAG had, pursuant to various agreements with the County Transportation Commissions (CTCs), been operating a rideshare program. As of June 30, 2003, the agreements by which SCAG operated the Rideshare programs expired. Under the terms of those agreements, SCAG and the CTCs were to determine the appropriate disposition of the various assets of the programs, including the software, hardware and data which were utilized and/or developed as part of the programs. The CTCs essentially requested that these capital goods and assets be returned to the CTCs. SCAG has provided much of the material requested. There remain just a few areas to be worked out as some of the equipment requested by the CTCs, SCAG believes was not funded by the rideshare program and therefore is not appropriate to provide to the CTCs. SCAG staff has provided to the CTCs information regarding these matters and is awaiting a response from the CTCs. There are only a few items which are the subject of on-going discussions. Attached is a copy of the Capital Goods and Assets Exhibit which was prepared by the CTCs to illustrate the nature of the assets which are finally being disposed of.

Additionally, in approximately 2002, a dispute arose as to the ownership of TranStar, a transit itinerary system which SCAG had been operating. Indeed, SCAG had entered into a number of agreements, both license agreements and service agreements, with various agencies, including agencies in New York, San Francisco, Ventura County Transportation Commission and various transit entities in the SCAG region. Some of those agreements required that SCAG continue to provide service through June 30, 2004 and contained various terms for renewal of the services. SCAG in its financial plan, which was approved by Caltrans, committed to cease its operation of TranStar as of June 30, 2003 and to transition the activities to other entities. SCAG noted, as a part of that transition plan, that it would utilize The Southern California Economic Partnership, a non-profit entity to fulfill SCAG continuing obligations to operate TranStar. The issue of ownership of TranStar had never been fully settled with the CTCs, however, SCAG and the CTCs had agreed to negotiate the issue over time.

Various correspondence and discussions took place in 2003, including a letter dated June 20, 2003 from the Executive Director to the various Chief Executive Officers of the CTCs outlining SCAG's proposed resolution to have The Partnership assume SCAG's obligations to provide

REPORT

services for TranStar and that The Partnership would be provided the opportunity to seek other business, in order to develop a viable business plan for itself. This proposal was later incorporated as part of a proposed Memorandum of Understanding which SCAG prepared and circulated to the CTCs on June 30, 2003. Discussions at the time focused mainly upon the appropriate disposition of the various Rideshare related programs, rather than the TranStar matters.

In order to meet its commitment to transition TranStar away from SCAG, The Regional Council at its July 31, 2003 meeting, authorized the Executive Director to enter into appropriate agreements to transition TranStar and Rideshare related programs. SCAG had The Partnership operate and assume those responsibilities. This was documented in a License Agreement between The Partnership and SCAG. However, the License Agreement clearly and explicitly recognized that there was a possibility that SCAG could encounter issues relating to the use and operation of TranStar that might require the use of TranStar to be terminated and provided that SCAG could then, upon written notice, terminate the License Agreement. Additionally, in order to minimize any possible liability The Partnership might encounter as a result of a termination, The Partnership was limited to entering into agreements which provided a 90 day termination period.

The CTCs have objected to the License Agreement with The Partnership and have requested that SCAG terminate that agreement. The Executive Director has provided the written notice to The Partnership indicating SCAG's intent to terminate, subject to action by the Regional Council but also indicated that The Partnership should fulfill its continuing obligations. In return, The Partnership has committed that it will not seek any new business within the region.

To finally settle the dispute, the CTCs have proposed that whatever ownership rights they have be assigned to SCAG. Under the terms of their proposal, SCAG would own TranStar, however, it may not sell or assign ownership of TranStar but may license TranStar to non-profit or public entities for non-commercial uses and must ensure that in license agreements which are entered into, no sublicensing or copies of TranStar are made available. SCAG must provide any enhancements or upgrades to the CTCs free of charge. Additionally, the CTCs would have the right to use TranStar for their own purposes. SCAG would be required to indemnify the CTCs for any liability arising out of the use of TranStar by SCAG or any third party. The CTCs would recognize the existing license agreements that SCAG has with MTC and New York and would not object to those agreements. A few clarifying details regarding the terms the CTCs proposed are still under discussion, however, the framework, which has been outlined above, has been agreed upon at the staff level.

It is recommended that the Executive Director be authorized to terminate the License Agreement with The Partnership, with an effective date of June 30, 2004 and that he be authorized to enter into appropriate agreements, including a Memorandum of Understanding with the CTCs upon substantially the terms and conditions outlined above. Additionally, after the execution of an MOU with the CTCs it maybe necessary to further document the terms under which The Partnership will fulfill its existing obligations, that would be done after coordinating with the CTCs.

EXHIBIT 1

CAPITAL GOODS AND ASSETS

Updated October 15, 2003 by RCTC

(SCAG to Update Exhibit)

<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
		SOFTWARE APPLICATIONS	
	X	1. RideStar	Completed: Source Code given to MTA – No copies retained
	X	2. ROLA	Completed: Source Code given to MTA – No copies retained
	X	3. WINROLA	Completed: Source Code given to MTA – No copies retained
	X	4. Automated AVR Survey (MSRC)	Status unclear, SCAG to clarify
	X	5. Density Maps	Completed: Source Code given to MTA – No copies retained
X		6. RTDIE	Completed: Licensed to Users
		WEB APPLICATIONS	
	X	1. www.socalcommute.org	Completed: URL Transferred to MTA
	X	2. SoCalCommute HTML/ASP	Completed: Source Code given to MTA – No copies retained
	X	3. TrafficBee (Commuter Channel)	Completed: Source Code given to MTA – No copies retained
	X	4. VanPool Web	Completed: Source Code given to MTA – No copies retained
		OFFICE FURNITURE/COMPUTER HARDWARE	
	X	1. VAX Computer	RideStar mainframe
	X	2. Web Server	SoCalCommute website
X		3. Furniture	SCAG to detail
X		4. Office Equipment	SCAG to detail
	X	5. RideGuide Laser Printers (2)	SCAG to detail, MTA to pick-up

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<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
	X	6. Map Server (?)	SCAG to detail, MTA to pick-up
	X	7. Lg Format Map Printer (ink jet)	SCAG to detail, MTA to pick-up
	X	8. Laptop Computers (8)	Completed
X		9. Laptop Computers (4)	Completed
	X	10. Teleservices Telephone Bank	SCAG to detail, MTA to pick-up
	X	11. ROLA Dial-in Modem System	SCAG to detail, MTA to pick-up
		COMPUTER SOFTWARE LICENSES	
	X	1. VAX	SCAG to detail operating system and other software programs, MTA to pick-up
	X	2. Laptop Computers (8)	Completed
X		3. Laptop Computers (4)	Completed
	?	4. Thomas Bros. Maps (RideStar)	SCAG to detail terms and costs of license agreement? Has it been cancelled or can it be transferred to CTC's?
	X	6. CONNX Communications	SCAG to detail. Is this related to ROLA operating system?
		DATABASES	
	X	1. RideStar Employer Worksites Data	Completed: Data given to MTA – No copies retained
	X	2. RideStar Registrants Data	Completed: Data given to MTA – No copies retained
	X	3. Vanpool Data	Completed: Data given to MTA – No copies retained
	X	4. Vanpool Rebate Data	Completed: Data given to MTA – No copies retained
X	X	5. Park & Ride Data	Completed: Data given to MTA
	X	6. AVR Data	Completed: Data given to MTA – No copies retained

<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
		DOCUMENTATION	
X	X	1. System Application	SCAG to clarify and provide details. Status unclear.
X	X	2. Application Software	SCAG to clarify and provide details. Status unclear.
X	X	3. Processing Procedures	SCAG to clarify and provide details. Status unclear.
X	X	4. Operation Procedures	SCAG to clarify and provide details. Status unclear.
X	X	5. Network Configuration	SCAG to clarify and provide details. Status unclear.
X	X	6. User Guides	SCAG to clarify and provide details. Status unclear.
	X	7. Rideshare Marketing Materials	Completed
X	X	8. Function Support	SCAG to clarify and provide details. Status unclear.
X		9. Correspondence	Completed
X		10. History	Completed

EXHIBIT 2

TRANSTAR ASSETS

Updated October 15, 2003 By RCTC

(SCAG to Update Exhibit)

<i>SCAG TO RETAIN</i>	<i>RETURN TO CTC'S</i>	<i>ITEM DESCRIPTION</i>	<i>NOTES</i>
		SOFTWARE APPLICATIONS	
X		1. TranStar	Licensed to Users
		SUPPORT SERVICES HARDWARE	
X		1. TranStar Tech Support Line Telephone Number	Completed
X		2. TranStar Dial-In Modem Bank	SCAG to detail
		COMPUTER HARDWARE	
X		1. TranStar Web Servers	SCAG to detail number, type and purpose
X		2. TranStar Printers	SCAG to detail number, type and purpose
X		3. ALPHA Computer	TranStar mainframe
		COMPUTER SOFTWARE LICENSES	
X		2. ALPHA	SCAG to detail operating system and other software programs such as Visual Basic and FoxPro, Windows 2000, etc.

00Q083

EXHIBIT 3

TRANSTAR AGREEMENTS

Updated _____, 2003 by SCAG

(SCAG to Complete Exhibit)

<i>AGREEMENT TYPE</i>	<i>LICENSE DESCRIPTION</i>	<i>AGREEMENT TERMS</i>
SERVICE:		
1. Omnitrans		
2. Riverside Transit Agency		
3. ASI		
4. Long Beach Transit		
5. Santa Barbara Transit		
6. Ventura County Transportation Commission		
7. CDS Net (Los Angeles)		
8. Metrolink		
9. Los Angeles County- DPSS		
10. Los Angeles County – Seniors		
11. Foothill Transit Agency		
12. Jacksonville, Florida		
13. Atlanta, Georgia		
14. Houston, Texas		
SUPPORT:		
1. Denver, Colorado		
2. MTC (San Francisco)		
3. New York DOT		

REPORT

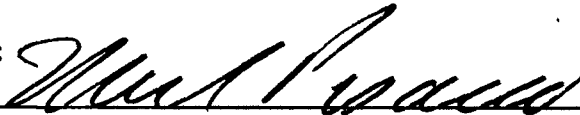
DATE: August 5, 2004

TO: Transportation & Communications Committee
Regional Council

FROM: Rich Macias, Manager, Transportation Planning and Programming
Sylvia Patsaouras, Manager, Environmental Planning

RE: 2004 Regional Transportation Improvement Program (2004 RTIP)

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Provide additional time to conduct inter-agency consultation for further analyses of funding and timely implementation issues as well as to pursue regional strategies for overcoming these obstacles. Further, staff would need this time to appropriately respond to the Federal Highway Administration's (FHWA) concerns about financial constraint and project completion schedules.

Bring the RTIP approval action back for consideration at the September Regional Council meeting.

Have the President send a letter to the state and federal agencies urging them to conduct concurrent reviews for their respective approvals to meet the October 4, 2004 deadline.

Additionally, request that the Chairpersons and the Chief Executive Officers of SCAG and the County Transportation Commissions/Authorities meet and discuss critical conformity/TIP issues.

SUMMARY:

Since the June 18, 2004 release of the Draft 2004 RTIP, SCAG staff has worked with the staff of the transportation commissions to verify that every effort is being made to ensure the timely completion of Transportation Control Measure (TCM) projects. As part of this effort, a consultant was hired to reassess 120 TCM projects that were initially identified by staff as being questionable. The listing was narrowed down to nine projects with potential implementation issues.

Additionally, the FHWA has submitted comments expressing concerns about funding and implementation. In order to address these concerns, staff will continue to work with the transportation commissions—resolving any obstacles including funding and constructability issues that could potentially delay TCM project implementation and in turn, jeopardize the region's conformity status.

REPORT

BACKGROUND:

In conducting timely implementation analyses, staff initially identified 120 projects with potential delay issues. To date, staff has been able to narrow the listing to nine projects based upon further information and analyses. These nine projects require additional funds or actions for accelerated procurement in order to meet final implementation schedules.

#	County	Project Description
1	Los Angeles	San Fernando Valley North-South BRT
2	Los Angeles	Wilshire Blvd Rapid Transitway (Mid-City)
3	Los Angeles	Crenshaw Transit Corridor (note: non-TCM)
4	Los Angeles	I-5 HOV lanes from SR-134 to SR-170
5	Los Angeles	I-5 HOV lanes from SR-170 to SR-118
6	Los Angeles	I-5 HOV lanes from SR-118 to SR-14
7	Los Angeles	SR-60 HOV lanes from I-605 to Brea Canyon Rd
8	Orange	Centerline, John Wayne Airport to Santa Ana
9	Riverside	SR-91 HOV lanes through downtown Riverside (note: non-TCM)

Based upon the evaluation of these nine projects, staff estimated a total need of \$559 million to meet implementation schedules. This is a rather conservative estimate derived by evaluating level of funds currently programmed in the 2004 RTIP against total funding needs assumed for project completion in the 2004 Regional Transportation Plan (RTP).

It is critical to note that this funding shortfall results even after assuming transportation dollars are made available with an adopted state budget and a finalized federal surface transportation act. That is, the 2004 RTIP accounts for the region's share of transportation dollars expected as a result of the tribal gaming compacts, past state budget borrowings, moderate increases in federal surface transportation funding, as well as corrective measures to address the ethanol problem. Additionally, the 2004 RTIP assumes nearly \$1 billion in anticipated federal discretionary new starts funding for Los Angeles and Orange Counties to complete priority transit projects. Even with these assumptions, there still remains a funding shortfall of \$559 million just to meet implementation schedules for the nine projects identified above.

In light of the region's fiscal challenges and implementation issues, SCAG staff is committed to working with the county transportation commissions to clearly identify all potential solutions for resolving obstacles. Accordingly, SCAG in cooperation with the county transportation commissions will proactively seek transportation dollars that would ensure the timely implementation of critical projects. Staff proposes further consideration of the following strategies to address implementation obstacles:

- ◆ Re-evaluate the State's North/South allocation of funds—ensuring the region's fair share of transportation dollars, particularly for projects critical to meeting conformity requirements.

REPORT

- ◆ Coalesce the region to seek transportation dollars through the federal appropriations process—obtaining federal discretionary dollars for critical transportation projects.
- ◆ Support design/build arrangements and/or emergency procurement procedures as appropriate—facilitating the implementation of innovative arrangements to accelerate project delivery.
- ◆ Reprioritize the funding of projects as may be necessary—working with appropriate transportation partners to identify non-TCM projects that are being delayed and shifting any programmed funds for such projects to critical TCM projects.
- ◆ Work with appropriate transportation partners to consider substitution of projects as may be necessary.
- ◆ Assess the possibility of transportation fund loan arrangements between counties to ensure the timely implementation of critical TCM projects.
- ◆ Focus on local ballot initiatives to fund transportation projects including the imposition of ½ cent sales tax measures as may be necessary.

FISCAL IMPACT:

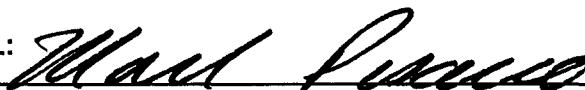
The staff resources for developing the 2004 RTIP are contained within the Fiscal Years 2003/04 and 2004/05 SCAG budgets.

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REPORT

DATE: August 5, 2004
TO: Regional Council
FROM: Nancy Pfeffer, Sr. Planner, 213-236-1869, e-mail: pfeffer@scag.ca.gov
SUBJECT: Resolution on Building Energy Efficiency

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Adopt Resolution #04-453-1: To Encourage Adoption of Local Building Energy Efficiency Ordinances.

SUMMARY:

The resolution encourages SCAG jurisdictions to adopt an ordinance (based on a model) requiring new buildings to exceed state building energy standards by 10-15%, depending on the building type. In response to input from the Energy & Environment Committee, the resolution includes a provision requesting the California Energy Commission to make the state standards uniformly more stringent for all jurisdictions.

BACKGROUND:

The dramatic population growth forecasted for the SCAG region in the coming decades will involve the construction of numerous new buildings – residential, commercial, and governmental. Buildings are one of the largest consumers of energy, using one-third of total energy and nearly two-thirds of electricity. Generally, buildings use electrical power for lighting and air-conditioning and natural gas for water and space heating. Various appliances within buildings use both types of energy.

In order to alleviate the significant increase in energy consumption that will come with growth in the SCAG region, it is important to minimize the amount of energy used by buildings. Since the mid-1970's, the state of California has had building energy efficiency standards, referred to as Title 24 standards. In addition, there are several public and private programs designed to reduce building energy use even further. A notable public program is Energy Star, which sets standards for new home construction and for appliance energy use. An increasingly popular private program is the non-profit U.S. Green Building Council's Leadership in Environmental and Energy Design (LEED) program. This program offers varying levels of certification depending on the building design features, and covers energy use as well as use of water and building materials.

While building "green" can increase the initial cost of construction, recent studies have shown that the cost premium may average only about three percent, not 10-15% as had



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS

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previously been thought. Moreover, investments in energy efficiency have been demonstrated to pay for themselves in operational savings. According to a study done for the California Sustainable Building Task Force, spending an extra \$100,000 on “green” building features would save at least \$1 million over the life of a \$5-million building. One large developer reports that efficiencies from its own Energy Star buildings are saving it \$13 million annually in operating costs.

A new state office building in Sacramento, housing the Department of Health Services, is estimated to be saving \$185,000 in annual energy costs through a design that is 40% more efficient than code. And the Inland Empire Utilities Agency reports that its two new headquarters buildings were built to LEED Platinum standards – the highest certification level – at a substantial savings over conventional building construction. The agency estimates that it continues to reap \$800,000 annually in electricity cost savings through measures that are 60% more stringent than the state code.

The City of Santa Monica in 2000 adopted a local ordinance requiring new construction, and renovations exceeding 50% of the cost of a new building, to exceed the Title 24 standards by 20-25%, depending on the building type.* The ordinance does not apply to one- and two-family residential structures or qualified historical buildings. The resolution provided will encourage local jurisdictions to adopt a similar ordinance, so that the region can experience the savings and environmental benefits associated with building energy efficiency measures as the population grows.

The following materials are attached:

- Resolution
- White paper: Supporting Greater Building Energy Efficiency in the SCAG Region
- Model ordinance (included in white paper).

FISCAL IMPACT:

Staff time in support of this analysis is covered by Work Element 05-290 in the current Overall Work Program. This work is funded by a grant from the U.S. Department of Energy's Rebuild America program via the California Energy Commission. Adopting the regional resolution will have no fiscal impact on SCAG.

#101248 v1 - RC Report EE 8/04
Pfeffer

* The target percentages were reduced to 10-15% when the state building standards were tightened following the state's 2000-2001 energy crisis.

**RESOLUTION #04-453-1 OF THE SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS TO ENCOURAGE
ADOPTION OF LOCAL BUILDING ENERGY EFFICIENCY
ORDINANCES**

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization (MPO) for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial;

WHEREAS, the SCAG region is expected to experience substantial growth in population, housing, and employment in the coming decades;

WHEREAS, the population growth will require substantial construction of new buildings;

WHEREAS, buildings are large users of energy, consuming almost two-thirds of all electricity and one third of total energy, for lighting, heating, cooling, appliances, and other uses;

WHEREAS, the increased need for buildings will contribute to a substantial increase in energy demand in the SCAG region;

WHEREAS, the State of California mandates a basic level of energy efficiency in buildings under standards in Title 24, Part 6 of the California Code of Regulations;

WHEREAS, it is possible to reduce energy use in buildings beyond the mandates of Title 24 through improved building design, construction, and commissioning;

WHEREAS, reductions in building energy usage beyond the state standards will mitigate the regional environmental impacts of increased energy demand due to growth;

WHEREAS, the construction of buildings that go beyond the state standards can be accomplished for a small cost premium that will be paid back in energy cost savings, and sometimes can be accomplished for less cost than conventional construction;

WHEREAS, a model ordinance has been developed requiring new construction to exceed the Title 24 building energy efficiency standards;

NOW, THEREFORE, BE IT RESOLVED by the Regional Council of the Southern California Association of Governments, that SCAG does hereby encourage local jurisdictions in the SCAG region to adopt local ordinances, based on the model provided, requiring new construction to exceed the Title 24 building energy efficiency standards by 10-15%, depending on building type;

AND BE IT ALSO RESOLVED by the Regional Council of the Southern California Association of Governments, that SCAG does hereby request the California Energy Commission to make the state building energy efficiency standards uniformly more stringent for all jurisdictions.

APPROVED AND ADOPTED by the [vote] of the Regional Council of the Southern California Association of Governments at a regular meeting this 5th day of August, 2004.

RON ROBERTS
President, SCAG
Councilmember, City of Temecula

Mark Pisano
Executive Director

Karen Tachiki
Chief Legal Counsel

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LEGAL NOTICE

This document was prepared as a result of work sponsored by the California Energy Commission through a federal grant agreement number DE-FG51-02R021400 with the U.S. Department of Energy. It does not necessarily represent the views of the Federal Government, the Energy Commission, its employees, or the State of California. The Federal Government, the Commission, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights.

SUPPORTING GREATER BUILDING ENERGY EFFICIENCY IN THE SCAG REGION

1. Introduction

Southern California is facing the challenge of substantial population growth in the coming decades. The Southern California Association of Governments' (SCAG) adopted 2004 forecast projects a 38% increase in population and a 36% increase in employment between 2000 and 2030.¹ This growth will necessitate the development of new housing stock and accompanying new commercial and industrial growth. The number of buildings in the region can be expected to grow substantially, even if there is an increase in density. Since buildings are large energy users, the regional demand for energy can be expected likewise to grow.

At the national level, buildings have been estimated to "consume one-third of total U.S. energy, and almost two-thirds of electricity."² Buildings mainly consume energy – in the form of electricity and natural gas – for space heating and cooling, lighting, and water heating. SCAG has projected that growth in the region will lead to a similar percentage increase in residential energy demand, and has concluded that by 2030 there will be a significant cumulative regional increase in the amount of total energy consumed.³ While some of this demand growth could be avoided if more compact growth patterns are adopted, different land use patterns by themselves would likely reduce 2030 demand by less than 5 percent. If Southern California is to maintain environmental quality, it is imperative that new buildings be designed and built in a way that minimizes their demand for energy.

Since the 1970's, the state of California has maintained Building Energy Efficiency Standards, also known as Title 24, Part 6 Standards. The Standards have been updated periodically to reflect advances in research and technology. The most recent update is the 2005 state standards (so called because of their effective date), which were adopted by the Energy Commission in November 2003.

In the SCAG region, the City of Santa Monica has shown local leadership by adopting, in 2000, an ordinance that required new and renovated commercial and residential buildings to reduce energy consumption below the existing (1998)

¹ Southern California Association of Governments, *2004 Regional Transportation Plan: Final Draft*, (April 2004) 9, Executive Summary. The SCAG region includes Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties.

² John P. Holdren, et al, *Energy Efficiency. Federal Energy Research and Development for the Challenges of the 21st Century*. (1997)
<http://bcsia.ksg.harvard.edu/publication.cfm?program=STPP&ctype=testimony&item_id=20&gma=27>. Accessed May 2004.

³ Southern California Association of Governments, *Work done in support of 2004 Regional Transportation Plan Program Environmental Impact Report*, (April 2004). SCH #2003061075, Chapter 3.11, Energy.

Title 24 standards by 20-25%. The City of Irvine waives the building permit fee for builders who participate in their "IQ-Plus" program which calls for third party verified efficiency beyond the Standards requirements. Also, many Southern California cities encourage voluntary builder participation in the Community Energy Efficiency Program, which achieves Energy Star levels (15% lower energy consumption than required by the Standards) with third party verification to insure high quality control.

The purpose of this paper, which is funded by a grant from the U.S. Department of Energy's Rebuild America Program through the California Energy Commission (CEC), is to encourage greater building energy efficiency efforts across the SCAG region via adoption of an ordinance that would require new construction in the adopting jurisdiction to exceed the state standards.

Section 2 of this paper describes current national, state and local programs regarding building energy efficiency. Section 3 describes the expected costs and benefits of wider adoption of building energy efficiency in the SCAG region, based partly on existing research and partly on an analysis of the specific impacts in Southern California. Section 4 contains information and model language for implementing programs that exceed the Title 24 Standards.

2. Current Programs for Building Energy Efficiency

Interest in "green buildings" has been growing for some time, as the impacts of buildings on the environment have come into clearer focus and a broader concern has developed regarding environmental sustainability. "Green building" standards, of course, go well beyond energy efficiency, involving usage of renewable resources and reduced waste generation and water usage, among other things. Such standards can reduce local environmental impacts, regional air pollutant emissions, and even global greenhouse gas emissions.

This paper focuses only on the energy savings available through sustainable or "green" building standards. Notably, a 2003 study conducted for the California Sustainable Building Task Force found that the 20-year value of energy savings in green buildings was more than three times the value of emissions, water, and waste savings combined.⁴

The following sections summarize several important building energy efficiency standards and programs. The study mentioned in the previous paragraph contains a more comprehensive discussion of building energy efficiency programs at the international, national, and state levels.

⁴ G. Kats, et al., *The Costs and Financial Benefits of Green Buildings: A Report to California's Sustainable Building Task Force* (October 2003) p. ix, Table ES-1 <<http://www.usgbc.org/Docs/News477.pdf>>. Accessed April 2004.

Leadership in Environmental and Energy Design (LEED)

During the 1990's, the non-profit U.S. Green Building Council developed the LEED Green Building Rating System for commercial buildings. The system awards points for various design features of a building, resulting in a rating ranging from Certified at the low end, through Silver and Gold to Platinum at the high end. The points are awarded for six categories, such as Energy and Atmosphere, Water Efficiency, and Indoor Environmental Quality. The Energy criteria include the following prerequisites:

- a requirement for building commissioning (a process to verify that fundamental building systems are installed and operating as intended); and
- a minimum level of energy efficiency for the building and its systems, based on the more stringent of the local energy code or ASHRAE⁵ Standard 90.1-1999. (In California, the state building energy efficiency standards are more stringent.)

Project applicants can go on to rate additional LEED points by taking the following steps:

- reducing design energy cost beyond the minimum;
- supplying a portion of building energy from on-site renewable sources;
- conducting additional commissioning;
- measuring and verifying continuing system performance through installation of specific meters; and
- supplying half of the building's energy from renewable sources via contract.⁶

The LEED rating system has become one of the most popular and influential in the country, in part due to the participatory and professional nature of the Green Building Council.⁷ In April 2004, the program marked its fourth year and 100th certified building.⁸ According to the LEED web site, there are eleven LEED certified buildings in California.⁹

Table 1 lists several LEED certified and registered projects in the SCAG region. Registered projects are those intending to seek LEED certification.

⁵ American Society of Heating, Refrigerating, and Air-Conditioning Engineers, <<http://www.ashrae.org/>>.

⁶ All energy prerequisites and credits (additional steps) from *LEED Green Building Rating System For New Construction & Major Renovations*, version 2.1 (LEED-NC, November 2002,) 21-32

⁷ G. Kats et al. Op cit., p. 5.

⁸ U.S. Green Building Council press release 2004 April 14. USGBC Announces 100th LEED® Certified Project. <http://www.usgbc.org/News/pressreleases_details.asp?ID=739>. Accessed April 2004.

⁹ See https://www.usgbc.org/LEED/Project/project_list.asp, accessed April 2004.

Table 1. LEED Projects in the SCAG Region

Organization	Building	City	Year	Status
Southern California Gas Company	Energy Resource Center	Downey	1995	Version 1 Certified
Ford Motor Company	Premier Automotive Group North American Headquarters	Irvine	2001	Version 2 Certified
Audubon Society	Audubon Center at Debs Park	East Los Angeles	2003	Version 2 Platinum
City of Los Angeles	Lake View Terrace Library	Los Angeles	2003	Registered
City of Santa Monica	Santa Monica Main Library	Santa Monica	2003	Registered
Inland Empire Utilities Agency	Inland Empire Utilities Agency Headquarters	Chino	2003	Version 2 Platinum
Natural Resources Defense Council	Santa Monica Office	Santa Monica	2003	Registered (on target for Platinum)
Riverside Public Utilities	Casa Blanca Energy Demonstration & Customer Service Center	Riverside	2003	Registered (on target for Silver)
Toyota Motor Sales	South Campus Office Development	Torrance	2003	Version 2 Gold
Newmatic Engineering, Inc.	Newmatic Engineering Inc.	Irvine	2004	Registered
Orange County Integrated Waste Management Department	Bowerman Landfill Operations Building Addition	Irvine	2004	Registered
RAND	RAND Corporate Headquarters	Santa Monica	2004	Registered (on target for Silver)
State of California Department of Transportation	Caltrans District 7 Building Headquarters	Los Angeles	2004	Registered
Fullerton Arboretum Center	Fullerton Arboretum Interpretive Center	Fullerton	2005	Registered

However, these leaders are only the tip of the iceberg in this state, where there are more LEED projects than in any other. As of April 2004, the LEED list of registered projects included 204 building projects statewide.¹⁰ Nationally, three percent of all new construction projects have registered intent to seek LEED certification.¹¹

It is possible to reach LEED levels without doing more than just minimally complying with the Building Energy Efficiency Standards. However, projects can earn two additional LEED points by reducing energy usage 20% more than required by the Building Energy Efficiency Standards.

¹⁰ See https://www.usgbc.org/LEED/Project/project_list_registered.asp, accessed April 2004.

¹¹ U.S. Green Building Council, et al. Making The Business Case for High Performance Green Buildings, https://www.usgbc.org/Docs/Member_Resource_Docs/makingthebusinesscase.pdf, accessed April 2004.

Energy Star Homes

Energy Star describes itself as “a government-backed program helping businesses and individuals protect the environment through superior energy efficiency.”¹² The Energy Star Homes program results in energy-efficient residential construction through such measures as high-performance windows, tested and field-verified duct sealing, and properly sized and installed air conditioning, as well as higher-efficiency heating, air conditioning and water heating equipment.

California homes built to qualify for the Energy Star Homes program are 15% more efficient than the state Building Energy Efficiency Standards. Energy Star also operates programs that promote energy-efficient appliances. California’s investor-owned utilities offer financial assistance and marketing assistance to builders who build to California Energy Star Homes Program requirements, and also provide rebates on many types of Energy Star appliances.

California Building Energy Efficiency Standards

As mentioned above, California established statewide building energy efficiency standards in the mid-1970’s following legislative action. The legislation required the standards to be cost-effective, to be based on the building life-cycle, and to include both prescriptive and performance-based approaches.¹³ It is estimated that the standards will have saved Californians \$79 billion by 2013 (total of electricity and natural gas savings, including savings from appliance standards).¹⁴

The standards have been periodically updated as technology and design have evolved. Generally, the standards are updated every three years. As a result of AB 970, passed in Fall 2000 in response to the state’s electricity crisis, an emergency update of the Standards went into effect in June 2001. The Commission then initiated an immediate follow-on proceeding to consider and adopt updated Standards that could not be completed during the emergency proceeding. The 2005 Building Energy Efficiency Standards were adopted in November 2003, to take effect in October 2005.¹⁵

Title 24 of the California Code of Regulations comprises the state Building Standards Code. Part 6 of Title 24 is the California Energy Code, which includes

¹² See <http://www.energystar.gov/>.

¹³ California Energy Commission. Initial Study/Proposed Negative Declaration for the 2005 Building Energy Efficiency Standards for Residential and Nonresidential Buildings, Staff Report, September 2003, P400-03-018, p. 7.

¹⁴ California Energy Commission. *2003 Integrated Energy Policy Report*,. P100-03-019. Sacramento, California: California Energy Commission, December 2003, p. 10. <http://www.energy.ca.gov/reports/100-03-019F.PDF>

¹⁵ California Energy Commission, 2005 Energy Efficiency Building Standards Update, http://www.energy.ca.gov/2005_standards/background.html, accessed April 2004.

the building energy efficiency standards. The standards¹⁶ include provisions applicable to all buildings, residential and non-residential, that describe requirements for documentation and certificates that the building meets the standards. These provisions include mandatory requirements for efficiency and design of the following types of systems, equipment, and appliances:

- Air conditioning systems
- Heat pumps
- Water chillers
- Gas- and oil-fired boilers
- Cooling equipment
- Water heating systems and equipment
- Pool and spa heating systems and equipment
- Gas-fired equipment including furnaces and cooking appliances
- Windows and exterior doors
- Joints and other openings in the building structure ("envelope")
- Insulation and cool roofs
- Lighting control devices.

The standards include additional mandatory requirements for space-conditioning (cooling and heating), water-heating, and indoor and outdoor lighting systems and equipment in non-residential, high-rise residential, and hotel or motel buildings. These standards cover ventilation, controls, pipe insulation, air distribution systems, and acceptance provisions. Mandatory requirements for low-rise residential buildings cover indoor and outdoor lighting, fireplaces, space cooling and heating equipment (including ducts and fans), and insulation of the structure, foundation, and water piping.

In addition to the mandatory requirements, the Standards call for further energy efficiency that can be provided through a choice between performance and prescriptive compliance approaches. (Separate sections apply to low-rise residential and to non-residential, high-rise residential, and hotel or motel buildings.) In buildings designed for mixed use (e.g., commercial and residential), each section must meet the standards applicable to that type of occupancy.¹⁷

In general, the performance approach provides for the calculation of an energy budget for each building, and allows flexibility in the design and selection of building systems and features to meet the budget. The energy budget addresses space-conditioning (cooling and heating), lighting, and water heating. Compliance with the budget is determined by the use of a CEC-approved computer software energy model. The alternative prescriptive standards require

¹⁶ California Energy Commission, 2005 Building Energy Efficiency Standards, Commission Proposed Standards, P400-03-001ET15, October 2003.

¹⁷ Ibid., Section 100(f).

demonstrating compliance with specific minimum efficiency for components of the building such as building envelope insulation R-values, fenestration (areas, U-factor and solar heat gain coefficients of windows and doors) and heating and cooling, water heating and lighting system design requirements. These requirements vary depending on which of the state's 16 climate zones the building is in.

The 2005 standards, which were adopted by the California Energy Commission in November 2003, and are expected to become effective statewide in October 2005, include the following major changes:

- Updated energy budgets that recognize the time dependence of energy usage by season and time of day.
- Incorporation of new federal appliance standards and other advances in technology emerging from the state's Public Interest Energy Research program.
- Incorporation of new state standards for outdoor lighting and for indoor and outdoor signs.
- Changes to improve the quality of construction and verification of reliable energy savings.

City of Santa Monica

State building energy efficiency standards provide that local jurisdictions may adopt local energy standards as long as they do not allow more building energy consumption than the state standards. Local standards may include early adoption of the state standards or requirements that buildings go beyond the standards, for example, by setting more stringent energy budgets.¹⁸

Local standards were adopted by Santa Monica in 2000, when the City Council adopted Ordinance Number 896 (see Appendix A). The ordinance applies to all new buildings, residential and commercial, except one- and two-family houses and qualified historic buildings. It also applies to existing buildings whose repair, alteration, or rehabilitation costs more than 50 percent of their replacement cost. The ordinance included required reduction factors for allowable energy budgets ranging from 20% to 25% below the then-effective 1998 state building energy standards, depending on the building use.¹⁹ Santa Monica's ordinance, like other green building schemes, also includes requirements for use of recycled construction materials.

¹⁸ Ibid., Section 10-106.

¹⁹ When the state standards were revised in 2001 following passage of AB 970, these percentage reductions were reduced to 10% to 15% since the state standards had become more stringent. City staff say that the percentages are likely to remain the same with the adoption of the 2005 state standards.

Santa Monica has also demonstrated leadership in the energy efficiency arena by incorporating solar panels into city parking structures, constructing a new Public Safety Facility that is estimated to have cost-effectively exceeded the Title 24 requirements by at least 40%,²⁰ and by working with partners to build Colorado Court, a “green” yet affordable housing complex.

City of Irvine

In 1996-97 the City of Irvine and the California Energy Commission partnered to develop a voluntary energy efficiency program. Irvine Quality Plus, or “IQ+,” is a program whereby residential builders are rebated city inspection fees and receive certificates, program marketing and other recognition when they meet certain maximum duct leakage levels and provide quality installation of wall, attic and underfloor insulation, with third-party verification.

The program has reduced duct leakage in some homes from as much as 70% to less than 6% (the average duct leakage in new homes statewide, where builders are not participating in a “tight” or “sealed” duct program, is approximately 22%). IQ+ was the prototype for the “sealed ducts” prescriptive requirement in the Title 24 energy standards. Irvine and the Commission are in the process of updating the IQ+ program protocols to exceed the 2005 Energy Efficiency Standards.

Community Energy Efficiency Program

In 1999, the Building Industry Institute (BII), the training and education arm of the California Building Industry Association, worked with an industry and government advisory group to develop the Community Energy Efficiency Program for local governments. The concept was for local governments to offer a range of incentives to motivate builders to improve the energy efficiency of new home construction in their community by 15% compared to Title 24.

Forty-five SCAG member cities and an additional seven non-member cities are currently participants in this program (see Appendix B); there are over seventy participants statewide. Incentives offered by participating jurisdictions include expedited review of building plans, permit fee reduction, and public recognition of the builder for their efforts.²¹ The hallmark of the program is third-party field verification of the quality of installation of the energy efficiency measures. By providing third-party field verification, the program is particularly helpful to local governments, who can be assured that the energy efficiency measures are installed properly without intensive site inspections by local building department staffs.

²⁰ California Energy Commission. July 2000. Draft, *Tier 1: A New Energy Standard for State Buildings, Consultant Report* (July 2000) P400-00-019, page 3.

²¹ See <http://www.thebii.org/lgp.asp>.

Collaborative for High Performance Schools

New school facilities are much in need throughout the state. This California non-profit group, known as CHPS, provides best practices and criteria for the construction of schools so as to create "environments that are not only energy efficient, but also healthy, comfortable, well lit and contain the amenities needed for a quality education."²² CHPS schools provide more natural daylight and a healthier environment for students, teachers, and staff, and are beginning to reduce school district expenditures on energy, which according to CHPS exceed the combined costs of supplies and books.²³

California Governor's Sustainable Building Goal

On August 2, 2000, California Governor Gray Davis signed Executive Order D-16-00, "to site, design, deconstruct, construct, renovate, operate, and maintain state buildings that are models of energy, water, and materials efficiency; while providing healthy, productive and comfortable indoor environments and long-term benefits to Californians."²⁴ New state buildings, such as the Department of General Services' East End Complex Block 225 in Sacramento, have been built to sustainable standards as a result. The California Integrated Waste Management Board maintains a web site that provides further information and resources for green building design and construction.²⁵

²² <<http://www.chps.net/overview/index.htm>>.

²³ Ibid.

²⁴ Executive Order D-16-00 by the Governor of the State of California. August 2, 2000.

²⁵ See <http://www.ciwmb.ca.gov/greenbuilding/Basics.htm>.

3. Costs and Benefits of Building Energy Efficiency Standards

One of the main considerations when undertaking improvements to building energy efficiency is, of course, cost. It may cost more to provide energy-efficient building components and systems, and first cost (i.e., design and construction cost) can be a hurdle even when the installed systems will save money over the life of the building. Energy efficiency measures can save first costs, for example, by reducing the need for over-sized air conditioners to keep buildings comfortable. (Undertaking a more comprehensive design approach to building sustainability can also save first costs through reuse of building materials and other means.)

In recent years, several studies have demonstrated that life-cycle savings clearly result from building energy efficiency efforts. Furthermore, these studies have clarified that the first cost penalty for green building measures is only about 2-3% at most, and there can be a first cost benefit. The following sections summarize the findings of these studies and make the case that wider adoption of building energy ordinances across the SCAG region will go far to alleviate the potential energy and environmental impacts of growth.

Building Level Savings

A study conducted for the City of Portland in 2000 analyzed three city buildings – an office building, a police precinct, and a fire station -- that were built in the 1990's without regard to green building standards. The study estimated both first cost and life cycle costs for the buildings as if they had been built according to LEED standards then under development, and compared these with actual costs. The analysis found that:

- The life cycle costs of the buildings would have been reduced by \$13,000 up to \$173,000 (for the largest building) if LEED-like standards had been followed.
- These estimates do not include probable employee productivity benefits resulting from better working conditions – lighting, ventilation, and so forth. The study estimated that life cycle cost savings would be 10 to 15 times the direct cost savings – ranging from \$101,900 up to over \$3 million for the largest building – if these benefits were considered.
- First costs were estimated to have been at most 2.2% higher if LEED standards had been applied; for one building, first costs would have been the same or even slightly lower (depending on whether first costs or life cycle costs are minimized).²⁶

A number of building projects in the SCAG region have pursued green designs, with the following results:

²⁶ XENERGY, Inc., and Sera Architects. *Green City Buildings: Applying the LEED™ Rating System*. (Prepared for Portland Energy Office: Portland, Oregon, June 18, 2000) p. S-2 – S-6.

- The Inland Empire Utilities Agency (IEUA) used comprehensive building design and tilt-up construction to reduce by one-third the cost of its new headquarters. Their two new buildings cost approximately \$10.1 million to build, but would have cost an estimated \$15.7 million if they were standard buildings built by conventional means. Furthermore, due to the energy-efficient design, "IEUA expects to save over \$200,000 per year in energy costs alone over the next ten years."²⁷
- The RAND Corporation analyzed its new headquarters building in Santa Monica before construction. While the new building might cost about 10% more than a conventional design, the company expects to use the building for far longer than the estimated 10- to 12-year payback period.²⁸
- Caltrans District 7 undertook a green building in response to the Governor's Executive Order of 2000 (see Section 2). The building designers anticipated a cost premium for the green building but expected payback within less than 10 years.²⁹
- Toyota Motor Sales created a new national headquarters building in Torrance with the goal of bringing all its personnel into one campus with minimum operating costs. The company saw an opportunity to build a sustainable building and made each decision about design features and systems based on business criteria. For example, the choice of cooling system was based on economics and reliability, and also happened to be environmentally preferable. Toyota used the state's 50% buydown incentive for self-generation to include photovoltaic panels on the roof with a payback of seven years for that system. In total, the efforts made to reduce costs and achieve sustainability earned the building a LEED Gold rating even though this was not the goal of the project.³⁰
- The Los Angeles Community College District is dedicating bond funding to the construction of 46 new LEED buildings across its system over the next several years. The target design level ranges from Certified to Silver at a cost premium estimated to be between 3% and 10%. Project personnel indicated that the Board took this decision in an environment where the cost premium for building green is clearly diminishing as more materials and systems become available and the market for them grows.³¹

A summary of green building benefits by the U.S. Green Building Council³² points out the following green building successes:

²⁷ <http://www.ieua.org/Agency/NewHQ.htm>, accessed April 2004.

²⁸ I. Katagiri, RAND Corporation, personal communication, May 2004.

²⁹ R. Makarem, AC Martin, personal communication, May 2004.

³⁰ M. Yamaguchi, Toyota, personal communication, May 2004.

³¹ A. Kovara, DMJM/JGM, and L. Eisenberg, Los Angeles Community College District, personal communication, May 2004.

³² U.S. Green Building Council, et al. *Making The Business Case for High Performance Green Buildings*, <https://www.usgbc.org/Docs/Member_Resource_Docs/makingthebusinesscase.pdf>. Accessed April 2004.

- "S.C. Johnson's Worldwide Headquarters in Racine, WI, incorporates green features such as personal environmental systems, a restored natural site, and extensive daylighting, at a cost 10 to 15% *below* the U.S. average for comparable office and laboratory space." (emphasis in original)
- "Almost an acre of energy-generating photovoltaic panels are in operation on the roof of Arden Realty's 110,000-square-foot City Centre Office Building in Fountain Valley, CA."
- "Energy Star-labeled office buildings generate utility bills 40% less than the average office building. For international developer and investor Hines, efficiencies gained from its Energy Star buildings are generating \$13 million in annual savings, based on a 2000 evaluation."
- "Lockheed Martin's trailblazing 600,000-square-foot facility in Sunnyvale, CA, housing 2,500 employees...reported a 15% drop in employee absenteeism – a savings that paid for the incremental costs of the company's new high performance facility in the very first year alone."
- "USAA Realty Company's La Paz Office Plaza in Orange County, CA, experienced an \$0.80-per-square-foot-increase in market value – a \$1.5 million increase stemming from its investments in energy efficiency measures and lower-priced power procurements."

Probably the most comprehensive and persuasive study of the value of green building savings is the 2003 report to California's Sustainable Building Task Force. In the words of the report:

Integrating "sustainable" or "green" building practices into the construction of state buildings is a solid financial investment. In the most comprehensive analysis of the financial costs and benefits of green building conducted to date, this report finds that a minimal upfront investment of about two percent of construction costs typically yields life cycle saving of over ten times the initial investment. For example, an initial upfront investment of up to \$100,000 to incorporate green building features into a \$5 million project would result in a savings of at least \$1 million over the life of the building, assumed conservatively to be 20 years.³³

City- and State-Level Savings

At the city level, one report estimates that the green building ordinance adopted by the City and County of San Francisco would save \$22 million over ten years.³⁴ Before adopting its ordinance, Santa Monica hired a consultant to determine energy budget targets that would increase first costs no more than 3% and provide a five-year simple payback.³⁵

³³ G Kats, et al. Op. cit., p. v.

³⁴ California Integrated Waste Management Board. *The Economics of Green Buildings*. (June 2001), Task Three Report, p. 7. Prepared by Natural Strategies LLC.

³⁵ S. Munves, City of Santa Monica, personal communication, April 2004.

The Initial Study/Proposed Negative Declaration for the 2005 Building Energy Efficiency Standards prepared by the California Energy Commission found overall energy and environmental benefits from the standards update.³⁶ Annual cumulative statewide energy savings from implementation of the standards were estimated at over 600 GWh of electricity and 10 million therms of natural gas, along with a 181-MW drop in peak demand. Statewide total emissions reductions from application of the 2005 standards were estimated at 42 tons/year of NO_x, 3 tons/year of PM₁₀, and 8 tons/year of CO.³⁷

Potential Savings in the SCAG Region

The SCAG region will receive a share of the foregoing benefits from application of the state 2005 energy efficiency standards. For example, the SCAG region consumes about 45% of statewide total electricity,³⁸ and can be expected to enjoy a similar share of energy savings benefits and emissions benefits (with some differences depending on the location of power generation).

The region will receive further energy and emissions savings and benefits from local adoption of standards beyond Title 24. If this step were taken regionwide, CEC estimates show that the SCAG region could experience a further reduction in electricity demand amounting to about 199 GWh/year and for natural gas amounting to about 2.9 million therms per year, as well as a 50-MW reduction in peak power demand. While these savings are small in percentage terms, the related emissions savings could be significant. According to CEC estimates, with local adoption of ordinances going beyond Title 24, the region could experience a further decrease of 51 tons/year of NO_x, 7 tons/year of PM₁₀, and 25 tons/year of CO.³⁹ Emissions of the greenhouse gas CO₂ would also be reduced.

Compared to other types of emission reduction measures, energy efficiency measures can be a low-cost option – even no-cost, as in the case of behavior changes. Energy efficiency measures can be most cost-effective in combination with integrated building design efforts that allow synergies between systems and the structure itself.

³⁶ California Energy Commission—Staff Report, *Initial Study/Proposed Negative Declaration for the 2005 Building Energy Efficiency Standards for Residential and Non-residential Buildings*, (September 2003) P400-03-018, Section VII, Cumulative Effects.

³⁷ The report points out that some space cooling is natural-gas-fired, which may cause localized emissions in some air basins. However, the CEC estimates that the contribution from gas cooling would be no more than 0.001% over current emission levels, and would be “dwarfed” by the overall emission reductions from the standards. Individual air districts can also restrict the use of gas-fired cooling without conflicting with the state standards.

³⁸ Southern California Association of Governments. *Regional Comprehensive Plan and Guide, Energy Chapter Update 2002*, p. 11.

³⁹ R. Hudler, California Energy Commission, personal communication, May 2004.

4. Conclusion

At the Western Governors' Association Energy Summit meeting in April 2004, California Governor Arnold Schwarzenegger and New Mexico Governor Bill Richardson issued a bipartisan proposal to raise Western states' energy efficiency by 20 percent by 2020. The two governors' letter saw "a combined economic and environmental opportunity to develop alternative energy resources and energy efficiency to 'help stabilize fluctuating energy prices, create lasting jobs, promote public health and protect our environment.'"⁴⁰

Based on the demonstrated benefits of efforts to reduce building energy consumption, and given the growth expected in the SCAG region, local cities and counties may want to pursue more aggressive "beyond-the-Standards" energy consumption targets.

Locally Adopted Energy Standards

As mentioned in Section 2, the state Building Energy Efficiency Standards provide that local jurisdictions may adopt building energy standards as long as the resulting buildings will not use more energy than under the state standards. To ensure this, a city or county in the SCAG region may choose to adopt an ordinance requiring new or modified construction to go beyond the state standards by a certain percentage. To assist local jurisdictions in this effort, a model ordinance is provided in Appendix C which is based on the Santa Monica ordinance of 2000. Any city or county could modify the target percentages based on local needs and climate conditions.

A jurisdiction adopting local standards must submit four copies of the following documentation to the CEC:⁴¹

- a. The proposed local energy standards (requiring early adoption).
- b. A study and supporting analysis showing how energy savings were determined.
- c. A statement that the local standards will require buildings to be designed to consume no more energy than permitted by Title 24, Part 6.
- d. The basis of the determination that the standards are cost-effective.

The CEC must approve the local ordinance before it is adopted. Following submission of these materials, a jurisdiction should expect about two months for CEC approval. Once this is received, local adoption may proceed.

⁴⁰ California Energy Markets. *Working Energy Development for the Greater West*, (April 23, 2004) 4, No. 768.

⁴¹ California Energy Commission, 2005 Building Energy Efficiency Standards, Commission Proposed Standards, P400-03-001ET15, October 2003. Section 10-106(b), based on Section 25402.1, Public Resources Code.

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APPENDIX A

**Santa Monica Ordinance No. 896 of December 19, 2000
(6 pages)**

Santa Monica Green Building Program

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City Council Meeting 12-19-2000 Santa Monica, California

ORDINANCE NUMBER 896 (CCS)

(City Council Series)

AN ORDINANCE OF THE CITY COUNCIL

OF THE CITY OF SANTA MONICA

ADDING CHAPTER 8.108 TO THE SANTA MONICA MUNICIPAL CODE

WHICH ADOPTS SANTA MONICA AMENDMENTS

TO THE CALIFORNIA BUILDING STANDARDS CODE

RELATING TO GREEN BUILDING STANDARDS

WHEREAS, on June 8, 1999, the City Council adopted Ordinance Number 1945 (CCS), which adopts the California Building Standards Code, Santa Monica

amendments to the California Building Standards Code; and other technical codes; and

WHEREAS, Health and Safety Code Sections 18938 and 17958 provides that the California Building Standards Code establishes building standards for all occupancies throughout the State; and

WHEREAS, Health and Safety Code Section 18941.5 provides that the City may establish more restrictive building standards if they are reasonably necessary due to local climatic, geological or topographical conditions; and

WHEREAS, the City Council has considered the 1998 edition of the California Building Standards Code, which incorporates by reference the 1996-1997 editions of the Technical Codes, and all of the referenced standards, tables, matrices and appendices of each of these codes therein; and

WHEREAS, based upon the findings contained in the Resolution adopted concurrently with this Ordinance, the City Council has found that certain modifications and additions to the California Building Standards Code are reasonably necessary based upon local climatic, topographical and geological conditions; and

WHEREAS, Public Resource Code Section 25402.1(h)(2) says that a local enforcement agency may adopt more restrictive energy standards when they are cost-effective and approved by the Energy Commission; and

WHEREAS, the City hired a private consultant to conduct a cost study of the proposed changes and said study demonstrated the cost effectiveness of these changes; and

WHEREAS, the State Energy Commission approved the proposed standards on September 20, 2000;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA MONICA DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 8.108 is hereby added to the Santa Monica Municipal

000110

Code to read as follows:

CHAPTER 8.108 GREEN BUILDING STANDARDS

8.108.010 Purpose.

The green building design and construction standards established in this chapter are intended to reduce human exposure to noxious materials; conserve non-renewable energy and scarce materials; minimize the ecological impact of energy and materials used; use renewable energy and materials that are sustainably harvested; and protect and restore local air, water, flora and fauna. These standards will help protect the health of building occupants; improve employee productivity; use energy, water and materials more efficiently; incorporate recycled-content building materials; and increase the durability, ease of maintenance, and economy of building operations.

8.108.020 Scope.

The provisions of this chapter shall apply to all new buildings, and existing buildings whose repair, alteration or rehabilitation costs exceed 50 percent of their replacement cost as determined by Section 8.84.040 except (a) one-and-two-family dwellings and their accessory structures and (b) qualified historic buildings as defined in the State Historic Building Code (Title 24, Part 8).

8.108.030 Compliance Methods.

(a) Except as provided in subsections (b) and (c) of this Section, the envelope, space-conditioning, lighting and service water-heating systems of all buildings subject to the provisions of this chapter shall be designed, constructed and installed to use no more source energy from non-renewable sources than the allowable energy budget calculated in accordance with the performance approach set forth in Chapter 8.36 and reduced in accordance with Section 8.108.040.

(b) Multi-family residential buildings that are three stories or less in height may use the prescriptive approach set forth in Chapter 8.36 for the envelope, space-conditioning, lighting and service water-heating systems if these buildings also

meet the following requirements:

- (1) all windows and glass patio doors are equipped with double-glazed, low-emissivity glazing, with center-of-glass U-value not more than 0.32 Btu/(hr.sq.ft. deg. F.), and Solar Heat Gain Coefficient not more than 0.37;
 - (2) fixed lighting fixtures installed within the dwelling units have a combined average efficacy of not less than 40 lumens per watt;
 - (3) water heaters have a minimum energy factor of 0.60; and
 - (4) space cooling appliances (if installed) have a Seasonal Energy Efficiency Ratio (SEER) of not less than 12.
- (c) When building designs, materials or devices cannot be adequately modeled by the performance approach, alternate calculation methods may be used when approved by the California Energy Commission pursuant to their administrative regulations for exceptional methods.

000112

8.108.040 Reductions in Allowable Energy Budgets.

Allowable energy budgets shall be the allowable energy budget determined in accordance with Chapter 8.36 and reduced by the following factors for the occupancy types shown in Table 8.108-A. Required reduction factors for occupancies not shown in Table 108-A shall be determined by the Building Officer for the most similar energy consuming use.

Table 8.108-A

Required Reduction Factors for Allowable Energy Budgets

Multi-family residences	20%
Hotels and motels	25%

Commercial and institutional offices	25%
Light industrial	25%
Retail	20%

When determining compliance with the percentage reduction, alternate calculation methods that consider energy savings in addition to those recognized in Chapter 8.36 may be used when approved by the Building Officer. These savings may include, but are not limited to, efficiency of fan systems with motors less than twenty-five horsepower and garage ventilation controls.

8.108.050 Use of Recycled Construction Materials.

All new buildings subject to the provisions of the chapter shall be built with a minimum of four major construction materials that have a post-consumer recycled content that meets the Environmental Protection Agency (EPA) recycled content guidelines as set forth in the Comprehensive Guideline for Procurement of Products Containing Recovered Materials (CPG) and the Recovered Materials Advisory Notices (40 CFR Part 247), or any successor publication. Building and Safety Division shall maintain copies of the most recent guidelines issued by the EPA. Major construction materials are those materials that serve a structural, partitioning or finishing function throughout the building or cover more than one-half of the floor, roof or wall surfaces.

8.108.060 Additional Mandatory Features for All Buildings

(a) Solar Water Heating. Solar collectors shall be the primary source to heat swimming pool water and to preheat industrial process water, including but not limited to, car washes and laundries.

(b) Pipe Insulation. All hot water distribution and recirculating system piping shall be thermally insulated from the heater to the end-use fixtures. Pipe insulation shall have R-value equal to R-4 for piping 2 inches or less in diameter and R-6 for larger piping. The R-value specified shall not be exceeded.

(c) Heat Traps. Heat traps shall be provided on the inlets and outlets of non-circulating hot water heaters and tanks to reduce the buoyancy-induced flow of hot water through the piping. Bent piping for heat traps shall have a minimum external diameter of twelve inches.

SECTION 2. Section 8.36.010 of the Santa Monica Municipal Code is amended to read as follows:

8.36.010. Adoption.

That certain document entitled "California Energy Code, 1998 Edition," which is Part 6 of Title 24 of the California Code of Regulations, as published by the California Building Standards Commission and the International Conference of Building Officials is hereby adopted as the Energy Code of Santa Monica, subject to the provisions of Chapter 8.108 Green Building Standards.

SECTION 3. Any provision of the Santa Monica Municipal Code or appendices thereto, inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, are hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

SECTION 4. If any Section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every Section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause this ordinance, or a summary thereof to be published once in the official newspaper within 15 days after its adoption. This Ordinance shall be effective 30 days after its adoption.

APPROVED AS TO FORM:

APPENDIX B

List Of SCAG Region Participating Jurisdictions In CEEP (1 page)

Southern California Local Government Community Energy Efficiency Program Participants

SCAG Members

Apple Valley
Arcadia
Beaumont
Brea
Camarillo
Cathedral City
Chino
Chino Hills
Corona
Costa Mesa
Desert Hot Springs
Fontana
Garden Grove
Hemet
Highland
Huntington Beach
Indian Wells
Lake Elsinore
Lancaster
Loma Linda
Monterey Park
Moorpark
Moreno Valley
Murrieta
Norco
Ontario
Orange County
Palm Desert
Palm Springs
Placentia
Rancho Cucamonga
Rancho Mirage
Redlands
Riverside County
San Bernardino
San Bernardino County
Santa Clarita
Simi Valley
Temecula
Thousand Oaks
Tustin
Upland
Ventura
Victorville
Yorba Linda

SCAG Non-Members

Banning
Fullerton*
Hesperia
Mission Viejo
Orange
San Jacinto
Westminster

* As of June 2004, the City of Fullerton had voted to join SCAG.

Source: The Building Industry Institute web site, <http://www.thebii.org/lgp.asp>, accessed April 2004.

APPENDIX C

Model Ordinance for Exceeding State Building Energy Efficiency Standards (3 pages)

MODEL LOCAL BUILDING ENERGY EFFICIENCY ORDINANCE

ORDINANCE NUMBER:

AN ORDINANCE OF THE CITY COUNCIL OF _____

WHEREAS, on [date], the _____ City Council adopted Ordinance Number _____, which adopts the California Building Standards Code, [city] amendments to the California Building Standards Code, and other technical codes; and

WHEREAS, Health and Safety Code Sections 18938 and 17958 provides that the California Building Standards Code establishes building standards for all occupancies throughout the State; and

WHEREAS, Health and Safety Code Section 18941.5 provides that the City may establish more restrictive building standards if they are reasonably necessary due to local climatic, geological or topographical conditions; and

WHEREAS, the City Council has considered the [current year] edition of the California Building Standards Code, and all of the referenced standards, tables, matrices and appendices of each of these codes therein; and

WHEREAS, based upon the findings contained in the Resolution adopted concurrently with this Ordinance, the City Council has found that certain modifications and additions to the California Building Standards Code are reasonably necessary based upon local climatic, topographical and geological conditions; and

WHEREAS, Public Resource Code Section 25402.1(h)(2) says that a local enforcement agency may adopt more restrictive energy standards when they are cost-effective and approved by the Energy Commission; and

WHEREAS, the State Energy Commission approved the proposed standards on [date];

NOW, THEREFORE, THE CITY COUNCIL OF [City] DOES ORDAIN AS FOLLOWS:

- I. Chapter # _____ is hereby added to the [City] Municipal Code to read as follows:

GREEN BUILDING STANDARDS

___-1. Purpose.

The green building design and construction standards established in this chapter are intended to reduce human exposure to noxious materials; conserve non-renewable energy and scarce materials; minimize the ecological impact of energy and materials used; use renewable energy and materials that are sustainably harvested; and protect and restore local air, water, flora and fauna. These standards will help protect the health of building occupants; improve employee productivity; use energy, water and materials more efficiently; incorporate recycled-content building materials; and increase the durability, ease of maintenance, and economy of building operations.

___-2. Scope.

The provisions of this chapter shall apply to all new buildings, and existing buildings whose repair, alteration or rehabilitation costs exceed 50 percent of their replacement cost as determined by Section ___-4 except (a) one-and-two-family dwellings and their accessory

structures and (b) qualified historic buildings as defined in the State Historic Building Code (Title 24, Part 8).

__-3. Compliance Methods.

(a) Except as provided in subsections (b) and (c) of this Section, the envelope, space-conditioning, lighting and service water-heating systems of all buildings subject to the provisions of this chapter shall be designed, constructed and installed to use no more source energy from non-renewable sources than the allowable energy budget calculated in accordance with the performance approach set forth in [City] Energy Code and reduced in accordance with Section __-4.

(b) Multi-family residential buildings that are three stories or less in height may use the prescriptive approach, set forth in [City] Energy Code for the envelope, space-conditioning, lighting and service water-heating systems if these buildings also meet the following requirements:

(1) All windows and glass patio doors are equipped with double-glazed, low-emissivity glazing, with center-of-glass U-value not more than 0.32 Btu/(hr.sq.ft. deg. F.), and Solar Heat Gain Coefficient not more than 0.37;

(2) Fixed lighting fixtures installed within the dwelling units have a combined average efficacy of not less than 40 lumens per watt;

(3) Water heaters have a minimum energy factor of 0.60; and

(4) Space cooling appliances (if installed) have a Seasonal Energy Efficiency Ratio (SEER) of not less than 12.

(c) When building designs, materials or devices cannot be adequately modeled by the performance approach, alternate calculation methods may be used when approved by the California Energy Commission pursuant to their administrative regulations for exceptional methods.

__-4. Reductions in Allowable Energy Budgets.

Allowable energy budgets shall be the allowable energy budget determined in accordance with [City] Energy Code and reduced by the following factors for the occupancy types shown in Table A. Required reduction factors for occupancies not shown in Table A shall be determined by the Building Officer for the most similar energy consuming use.

Table A
Required Reduction Factors for Allowable Energy Budgets

Multi-family residences	10%
Hotels and motels	15%
Commercial and institutional offices	15%
Light industrial	15%
Retail	10%

When determining compliance with the percentage reduction, alternate calculation methods that consider energy savings in addition to those recognized in [City] Energy Code may be used when approved by the Building Officer. These savings may include, but are not limited to, efficiency of fan systems with motors less than twenty-five horsepower and garage ventilation controls.

__-5. Additional Mandatory Features for All Buildings

(a) Solar Water Heating. Solar collectors shall be the primary source to heat swimming pool water and to preheat industrial process water, including but not limited to, car washes and laundries.

(b) Pipe Insulation. All hot water distribution and re-circulating system piping shall be thermally insulated from the heater to the end-use fixtures. Pipe insulation shall have R-value equal to R-4 for piping 2 inches or less in diameter and R-6 for larger piping. The R-value specified shall not be exceeded.

(c) Heat Traps. Heat traps shall be provided on the inlets and outlets of non-circulating hot water heaters and tanks to reduce the buoyancy-induced flow of hot water through the piping. Bent piping for heat traps shall have a minimum external diameter of twelve inches.

- II. [City] Energy Code is amended to read as follows:

Adoption.

That certain document entitled "California Energy Code, [current year] Edition," which is Part 6 of Title 24 of the California Code of Regulations, as published by the California Building Standards Commission and the International Conference of Building Officials is hereby adopted as the Energy Code of [City], *subject to the provisions of Chapter _____, Green Building Standards.*

- III. Any provision or appendices thereto, inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, are hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.
- IV. If any Section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every Section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.
- V. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause this ordinance, or a summary thereof to be published once in the official newspaper within [#] days after its adoption. This Ordinance shall be effective [#] days after its adoption.

REPORT

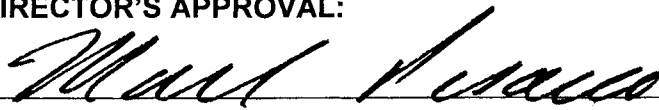
TO: Regional Council
Community, Economic and Human Development Committee (CEHD)

FROM: Lynn Harris, Manager of Community Development, (213) 236-1875,
harris@scag.ca.gov

SUBJECT: Victor Valley Economic Development Authority, Housing Setaside Review

DATE: August 5, 2004

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Recommend that the Regional Council adopt a resolution that approves the findings of the Victor Valley Economic Development Authority in deferring Housing Set-Aside funds.

BACKGROUND:

Section 33492.40 of the California Health and Safety Code requires SCAG to approve findings made by a local redevelopment agency in the event that they choose to defer deposits to the required low income housing set-aside fund. The Victor Valley Economic Development Authority has made such a request to SCAG, and has made all appropriate findings in accordance with the statute. A copy of the request and supporting documentation provided by the Authority is attached.

The statute requires that the redevelopment agency make the following findings:

- (A) The military facility or installation cannot be acquired or developed by private enterprise without the assistance of the agency.
- (B) There are no feasible alternative means of financing the acquisition or development of the military facility or installation other than by utilizing the low- and moderate-income housing portion of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670.
- (C) Failure of the agency to finance the acquisition or development of the military facility or installation would lead to serious economic hardship and job loss.
- (D) The redevelopment plan shall specify the period during which less than 20 percent of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670, is to be deposited in the Low- and Moderate-Income Housing Fund. The redevelopment plan shall also contain a repayment plan which specifies a date at which time the agency will have made up the deficit created by the deferral, including repayment of the interest at the highest rate received by the agency on funds it deposits during the period of deferral. The

Docs100881



REPORT

repayment plan shall reduce the deficit in the shortest feasible time consistent with the needs of the agency, as specified in the agency's findings.

The Authority has compiled evidence in support of these findings, included in the attached report beginning on page 3. Summarized briefly, the authority holds that the set-aside funds should be used for acquisition and provision of new infrastructure for the former George Air Force Base (Southern California Logistics Airport). This activity can only feasibly be accomplished with public financing, it is consistent with State and Federal policy goals, and has substantial public benefits that outweigh the deferment of housing funds. The deferral of funds will be for a period not to exceed five years, and the fund will be repaid over the fifteen years following the deferral.

SCAG staff reviewed the Authority's request and has concluded that the findings are supported by substantial evidence which is included in the Authority's report. Furthermore, staff has analyzed the proposed activities for consistency with various regional policies, and finds, on balance, that the execution of the proposed redevelopment plan would be beneficial and support the region's objectives.

Issues to consider include the following:

1. Development of Southern California Logistics Airport –
This airport is included in the recently adopted 2004 Regional Transportation Plan. Further, it supports policies included in the Compass Growth Vision, including increasing jobs and economic activity in housing rich areas, and supporting regional competitiveness through the logistics and trade industries.
2. Housing Impacts –
SCAG has several standing policies supporting the development of low income housing. As such, any proposal to defer limited, locally generated funds for that purpose should be examined critically. However, it should be noted that the cities in the Victor Valley have been identified as "housing rich," within various analyses performed by SCAG, and that all of these cities have met or exceeded housing development targets identified in the Regional Housing Needs Assessment adopted in November 2000. Further, SCAG has reviewed the authority's housing compliance plan and is satisfied that appropriate actions will be taken in support of housing development beyond the period of the set-aside deferral.

ATTACHMENT:

Proposed Resolution

Report of Victor Valley Economic Development Authority

Housing portion of redevelopment Implementation Plan

FISCAL IMPACT:

There is no cost associated with the recommended action.

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Resolution No. 04-453-2

RESOLUTION APPROVING THE FINDINGS OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY IN ORDER TO DEFER PAYMENTS TO THE LOW INCOME HOUSING SET-ASIDE FUNDS

WHEREAS, Section 33492.40 of the California Health and Safety Code authorizes SCAG to approve findings made by a redevelopment agency in deferring payments to the Low and Moderate Income Housing Funds; and

WHEREAS, the Victor Valley Economic Development Authority has requested that SCAG review a proposed deferral of payments to the Low and Moderate Income Housing Funds; and

WHEREAS, the Victor Valley Economic Development Authority has made a series of findings as required by State law, and such findings are supported by substantial evidence in the record; and

WHEREAS, the Southern California Association of Governments (SCAG) has reviewed the Authority's request; and

WHEREAS, the redevelopment plan presented by the Authority will promote several regional policy objectives including the development of the Southern California Logistics Airport at the former George Air Force Base; and

WHEREAS, the Authority and its member local governments have adequately addressed housing needs; and

NOW, THEREFORE, BE IT RESOLVED that the Regional Council of the Southern California Association of Governments hereby approves the findings of the Victor Valley Economic Development Authority in deferring deposits to the Low and Moderate Income Housing Set-Aside fund.

Resolution No. 04-453-2

Adopted by the Regional Council of the Southern California
Association of Governments at a regular meeting on this 5th day of August
2004.

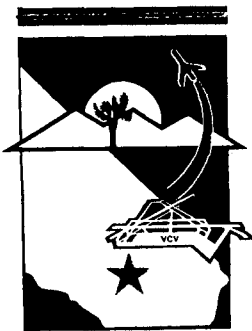
Ron Roberts
President, SCAG
Councilmember, City of Temecula

Attest: _____
Mark Pisano
Executive Director

Approved as to Legal Form:

Colin Lennard
General Counsel

DOC #101177



**VICTOR
VALLEY
ECONOMIC
DEVELOPMENT
AUTHORITY**

AN AUTHORITY FORMED
TO COORDINATE THE
TRANSITION OF GEORGE
AIR FORCE BASE FROM
MILITARY TO CIVILIAN
REUSE.

CITY OF
HESPERIA
CITY OF
VICTORVILLE
TOWN OF
APPLE VALLEY
COUNTY OF
SAN BERNARDINO

May 28, 2004

Jacob Lieb
Southern California Association of Governments
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017-3435

Re: Health & Safety Codes

Dear Mr. Lieb:

Thank you for taking the time to speak with me yesterday regarding the interest by the Victor Valley Economic Development Authority (VVEDA) in exercising provisions of the Health and Safety Code, particularly Section 33492.40 that permits for the deferral of VVEDA's housing set-aside fund and allows for the expenditure of said funds to be applied towards general redevelopment programs. As you may know, VVEDA is a joint powers authority comprising the Town of Apple Valley, Cities of Adelanto, Hesperia, Victorville and the County of San Bernardino. It's formation was in response to the 1992 military closure of George Air Force Base, and today VVEDA is the principal Redevelopment Authority Partnering in the revitalization of George AFB, now known as Southern California Logistics Airport.

Provided in the attached is a copy of Health and Safety Code Section 33492.40. Currently, VVEDA is scheduled to amend its Redevelopment Plan on June 9, 2004, so that it contains the provisions of 33492.40 (e)(2)(D). At that time, VVEDA will also make the necessary findings to support approval by the Southern California Association of Governments (SCAG) by its Regional Council (RC). Once our Redevelopment Plan is amended, I will forward it to your attention so that this item can be agendaized at your next regularly scheduled meeting.

I can be reached at 760-955-5032 if you have any questions or comments.

Sincerely,

Keith C. Metzler
Executive Director

KCM:kh
Attachments

cc: VVEDA Board of Commissioners
VVEDA Technical Advisory Committee
Mark Pisano, SCAG Executive Director

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CALIFORNIA CODES
HEALTH AND SAFETY CODE
SECTION 33492.40-33492.42

33492.40. (a) Notwithstanding Section 33320.1, the requirement that privately owned land within a project area be "predominantly urbanized," as that term is defined in subdivision (b) of Section 33320.1, shall not apply to privately owned land within a project area, if the privately owned land is adjacent or in proximity to a military facility or installation which is proposed to be closed pursuant to Public Law 100-526 and the inclusion of the privately owned land is found by an entity formed pursuant to subdivision (b) to be necessary for the effective redevelopment of the military facility or installation and the adjacent area.

(b) The legislative bodies for communities having territory within, adjacent to or in proximity to a military facility or installation described in subdivision (a) may create a separate joint powers agency pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, which shall have and exclusively exercise powers of an agency in furtherance of the redevelopment of a project area approved by the joint powers agency. The joint powers agency so formed shall include as one of its members the county in which the project area is located. In addition to the powers of an agency, the joint powers agency so formed shall also act as the legislative body and planning commission for all approvals and actions required by this part of legislative bodies and planning commissions for the adoption and implementation of a redevelopment plan. However, all land use, planning, and development decisions with regard to the land within the project area shall continue to be under the control and jurisdiction of each of the respective local legislative bodies or planning commissions, as applicable.

(c) The territory included within the project and project area may be contiguous or noncontiguous, and any project area may be located in whole or in part within one or more of the communities impacted by the closure of the military facility or installation, and the land to be included within the project area within the community or communities in proximity to the military facility or installation shall be found necessary for the effective redevelopment of the military facility or installation and the adjacent area. A project area shall not include territory outside the jurisdiction of the communities that are parties to the joint powers agency without the consent of the legislative body having jurisdiction over the territory proposed to be included within the project area.

(d) A redevelopment plan for the project area shall contain all of the provisions required by this part. However, if the agency finds, based on substantial evidence on the record, that compliance with the requirements of Sections 33333.2 and 33334.1 would make it impracticable to achieve the policies of this section, the agency may eliminate or modify the requirements of Sections 33333.2 and 33334.1.

(e) The redevelopment plan shall provide for either of the following:

(1) A Low- and Moderate-Income Housing Fund, as required by Section 33334.2.

(2) A deferral for depositing all or part of the 20 percent of taxes allocated to the agency pursuant to Section 33670 in the Low-

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and Moderate-Income Housing Fund if the agency, after conducting a noticed public hearing, makes, and the executive committee of the Southern California Association of Governments reviews and approves, findings supported by substantial evidence that all of the following apply:

(A) The military facility or installation cannot be acquired or developed by private enterprise without the assistance of the agency.

(B) There are no feasible alternative means of financing the acquisition or development of the military facility or installation other than by utilizing the low- and moderate-income housing portion of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670.

(C) Failure of the agency to finance the acquisition or development of the military facility or installation would lead to serious economic hardship and job loss.

(D) The redevelopment plan shall specify the period during which less than 20 percent of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670, is to be deposited in the Low- and Moderate-Income Housing Fund. The redevelopment plan shall also contain a repayment plan which specifies a date at which time the agency will have made up the deficit created by the deferral, including repayment of the interest at the highest rate received by the agency on funds it deposits during the period of deferral. The repayment plan shall reduce the deficit in the shortest feasible time consistent with the needs of the agency, as specified in the agency's findings.

(f) The joint powers agency acting as the agency, the legislative body or the planning commission, shall follow all procedures under this part applicable to the adoption and amendment of redevelopment plans, except with respect to Sections 33347.5, 33353 to 33353.6, inclusive, Sections 33354.4 to 33354.6, inclusive, and Section 33385.

(g) The agency shall create a fiscal advisory group to consult with each affected taxing agency and to advise and report to the agency in the manner required of a fiscal review committee by Section 33353.5 on any potential fiscal impact upon affected taxing agencies within the project area. The fiscal advisory group shall consist of the financial officer or treasurer of each city and each county which created the joint powers authority.

(h) The agency shall prepare and distribute to each affected taxing agency a report which includes the information required by Section 33328. The agency shall also prepare an analysis of the report required of a fiscal review committee pursuant to subdivision (m) of Section 33352 and an analysis of the report required of the fiscal advisory group pursuant to subdivision (g).

(i) As used in this section, "in proximity to" means within three miles of the boundary of Norton Air Force Base and within eight miles of George Air Force Base.

(j) The Legislature finds and declares that the closure of two or more military facilities or installations within the County of San Bernardino will cause serious economic hardship in that county, including loss of jobs, increased unemployment, deterioration of properties and land utilization and undue disruption of the lives and activities of the people. Therefore, the Legislature finds and declares that to avoid serious economic hardship and accompanying blight, it is necessary to enact this act which shall apply only within the County of San Bernardino. In enacting this act, it is the policy of the Legislature to assist communities within the County of San Bernardino in their attempt to preserve the military facilities

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and installations for their continued use as airports and aviation-related purposes.

It is the intent of the Legislature and the commitment of the local authorities to ensure that the existing airfields at both Norton Air Force Base and George Air Force Base are protected, developed, and enhanced as civil aviation public use airports. Therefore, the joint powers authorities authorized by this section should make every reasonable effort to guarantee that these vital airport facilities are retained for general aviation use now and into the future.

(k) Any joint powers agreement entered into pursuant to this section shall provide that the financial needs of each of the parties shall be considered prior to adoption of a redevelopment plan, and may provide that the number of years shall be limited during which bonded indebtedness may be paid using taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670.

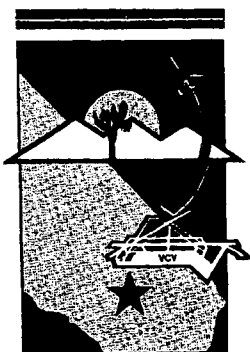
(1) A joint powers agency operating within the area of Norton Air Force Base shall appoint a project area citizens committee for the purpose of consultation and advice regarding policy matters that relate to planning and programs affecting the residents, businesses, and educational institutions within the project area, implementation of the redevelopment plan, and the development and implementation of amendments to the redevelopment plan.

(2) The committee shall be comprised of residential owners, residential tenants, business owners, small business owners, business tenants, educational institution representatives, and community groups currently operating, living, or working within the project area. The membership of the Project Area Citizens Committee shall be appointed by the legislative body of the agency and shall be representative, both racially and ethnically, of the people who live and work within the project area.

(3) For the purposes described above the committee shall meet at least once quarterly or more often to review policy matters and implementation issues as determined necessary by the legislative body.

(1) Amendments to any redevelopment plans adopted pursuant to this section shall not be required to comply with the provisions of Section 33452, provided that notice of the public hearing for any amendment adopted pursuant to Section 33540, and following, is published pursuant to Section 6063 of the Government Code and mailed by regular mail to the governing body of each of the taxing agencies which levies taxes upon any property in the project area designated in the redevelopment plan as proposed to be amended.

33492.41. (a) Notwithstanding Section 21090 of the Public Resources Code, the Inland Valley Development Agency may determine at a noticed public hearing that the amendment of a redevelopment plan for the Norton Air Force Base Redevelopment Project Area pursuant to this chapter is not subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), except that projects implementing the redevelopment plan, including specific plans, rezonings, and ministerial projects that may have a significant effect on the environment, shall be subject to the California Environmental Quality Act. The environmental document for any implementing project shall include an analysis and mitigation of potential cumulative impacts that otherwise will not be known until an environmental impact report for the redevelopment plan is certified.



**VICTOR
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AN AUTHORITY FORMED TO
COORDINATE THE
TRANSITION OF GEORGE AIR
FORCE BASE FROM MILITARY
TO CIVILIAN REUSE.

CITY OF
HESPERIA

CITY OF
VICTORVILLE

TOWN OF
APPLE VALLEY

COUNTY OF
SAN BERNARDINO

CITY OF
ADELANTO

June 28, 2004

Jacob Lieb
Southern California Association of Governments
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017-3435

Re: VVEDA Housing Set-Aside deferral

Dear Mr. Lieb:

As a follow-up to my letter to you dated May 28, 2004, I am enclosing a copy of the 6th Amendment to the Redevelopment plan for the Victor Valley Economic Development Authority. The enclosed VVEDA plan amendment was approved on June 9, 2004 and its second ordinance reading took place on June 23, 2004. The plan amendment makes the necessary findings to support the housing set-aside deferral, including the adoption of a repayment plan for the housing money deferred.

In our last telephone conference, you had advised me that it might be possible to agendaize this matter to the SCAG Committee on housing and the regional council in July. Please let me know when this matter can be heard before the respective boards. If I can be of any assistance to you, please don't hesitate to contact me at 760 955-5032.

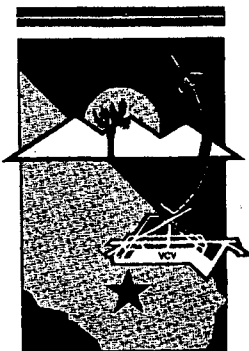
Sincerely,

Keith C. Metzler
Executive Director

18374 PHANTOM.
VICTORVILLE,
CALIFORNIA 92394
760/243-1900
FAX 760/243-1020
E-mail: scla@ci.victorville.ca.us

KCM:kh
Attachments

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**VICTOR
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AN AUTHORITY FORMED TO
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TRANSITION OF GEORGE AIR
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*COUNTY OF
SAN BERNARDINO*

*CITY OF
ADELANTO*

DATE: June 3, 2004

TO: VVEDA Board of Commissioners

FROM: Keith Metzler, VVEDA Executive Director

SUBJECT: Amendment No. 6 to the VVEDA Redevelopment Plan

RECOMMENDATION:

That Your Honorable Board of Commissioners ¹⁾ Introduce Ordinance No. 10 and conduct a public hearing for the proposed 6th Amendment to the VVEDA Redevelopment Plan; ²⁾ Adopt Resolution No. 04-010 accepting the Report to Council; and ³⁾ Adopt Resolution No. 04-011 eliminating the need to form a Project Area Committee.

FISCAL IMPACT: None.

At the Technical Advisory Committee meeting of Wednesday, May 12, 2004, it was recommended that the Board consider the approval of a 6th Amendment to the VVEDA Redevelopment Plan. In general, this Amendment provides VVEDA with the ability to defer the use of its Housing Set-aside funds, and adopts a repayment plan of said funds at a later date. Procedurally, for the deferral to take place, the 6th Amendment is necessary before the deferral can be considered by the Southern California Association of Governments (SCAG). Currently, SCAG is expected to review and approve VVEDA's request to allow for the deferral at its July meeting.

Attached for your review is an introductory discussion and the proposed Amendment language. Because the Technical Advisory Committee has indicated its support, Staff is recommending approval. Once approved, Your Honorable Board of Commissioners will need to adjourn this meeting to an adjourned meeting on June 23, 2004, to conduct the second reading of Ordinance No. 10.

Staff remains available for any questions or comments you might have.

2004 AMENDMENT
TO THE
REDEVELOPMENT PLAN
FOR THE
1993 VICTOR VALLEY REDEVELOPMENT PROJECT
(AMENDMENT NO. 6)

Prepared:

June 1, 2004

Adopted:

June 23, 2004

Ordinance No. 10

Prepared for:

City of Victorville
14343 Civic Drive
Victorville, California 92392

Prepared by:

Green, de Bortnowsky & Quintanilla, LLP
23801 Calabasas Road, Suite 1015
Calabasas, California 91302
(818) 704-0195

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INTRODUCTION

The Legislative Body of the Victor Valley Economic Development Authority ("VVEDA") approved and adopted the Redevelopment Plan for the 1993 Victor Valley Redevelopment Project ("Redevelopment Plan" or "Plan") on December 28, 1993, by Ordinance No. 2. The Redevelopment Plan was amended on December 28, 1994, by Ordinance No. 4 to establish the time limit that enables VVEDA to collect tax increment revenues for up to forty years following the Redevelopment Plan's adoption date. The Plan was amended again on June 11, 1997, by Ordinance No. 5 to utilize the 1994-95 fiscal year as the base year for the purpose of establishing the assessed valuations for properties within the 1993 Victor Valley Redevelopment Project ("Project Area") until such time as the San Bernardino County Assessor certifies that the assessed values for the Project Area equal or exceed the assessed value in the initial base year.

The 1998 Amendment to the Redevelopment Plan amended the Plan on April 22, 1998, by Ordinance No. 7 and allowed for the power of eminent domain in certain primarily nonresidential areas in the Project Area, which were located within the jurisdiction of the Town of Apple Valley and the County unincorporated territory. The Fourth Amendment to the Redevelopment Plan adopted on July 12, 2000, added Territory to the Project Area within the jurisdictions of the Cities of Adelanto and Victorville, as well as County unincorporated territory.

The most recent 2003 Amendment to the Redevelopment Plan (Amendment No. 5) amended the Plan on December 23, 2003, by Ordinance No. 9 and expanded the authority for VVEDA to acquire property through the power of eminent domain within certain portions of the Project Area in the cities of Victorville and Adelanto and a portion of the unincorporated San Bernardino territory.

The Project Area currently encompasses approximately 60,000 acres and includes both developed and undeveloped land within the boundaries of the eight-mile radius of former George Air Force Base ("GAFB") (now known as Southern California Logistics Airport) as permitted by special redevelopment legislation regarding military base closures. The Project Area includes territory within the cities of Victorville, Adelanto and Hesperia, the Town of Apple Valley, and unincorporated territory within the County of San Bernardino.

This 2004 Amendment to the Redevelopment Plan for the 1993 Victor Valley Redevelopment Project - Amendment No. 6 ("2004 Amendment") makes certain changes to the text of the Plan. These changes allow for deferral of VVEDA's deposit of housing set-aside funds pursuant to section 33492.40(e)(2) of the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq. "Redevelopment Law") for a specific period not to exceed five (5) years in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities. The changes made by this 2004 Amendment are not to be construed to amend, modify, change, or affect in any way the text of the Redevelopment Plan as it applies to the territory within the boundaries of the 1993 Victor Valley Redevelopment Project. Furthermore, the 2004 Amendment will not affect the distribution of tax revenues to the member entities or affected taxing entities. It deals solely with

the use of funds attributable to the Redevelopment Project Area and provides flexibility to allow for the expeditious funding of much needed infrastructure.

AMENDMENT NO. 1

That Section (539) "Deferral of Housing Funds" be revised to read as follows:

"7. (539) Deferral of Housing Funds

"Pursuant to Section 33492.40(e)(2) of the Redevelopment Law, VVEDA has determined that it is necessary to defer the deposit of the twenty percent (20%) of taxes allocated to VVEDA pursuant to Section 33670 of the Redevelopment Law into the Low- and Moderate-Income Housing Funds as required by Section 33334.2. VVEDA has found that:

- (A) The Air Base cannot be developed solely by private enterprise without the assistance of VVEDA;
- (B) There are no feasible alternative means of financing the development of the Air Base other than by utilizing the low- and moderate-income housing portion of the taxes which are allocated to VVEDA pursuant to subdivision (b) of Section 33670;
- (C) Failure of VVEDA to finance the development of the Air Base would lead to serious economic hardship and job loss; and
- (D) Each Member of VVEDA may elect to defer the deposit of low- and moderate-income housing funds attributable to each Member for a period not to exceed five (5) years from June 23, 2004 in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities. The repayment of any such low and moderate income housing moneys so deferred will extend for fifteen (15) years with payments commencing at year six (6) with full repayment by year twenty (20). Repayment will be made in quarterly installments of principal and interest with interest accruing from year six (6) and continuing until repayment in full. The interest rate shall be equal to the Local Agency Investment Fund (LAIF) interest rate. Each Member of VVEDA shall be responsible for repayment of deferred amounts from non-housing tax increment revenue attributable to its portion of the Project Area.

REPORT TO THE LEGISLATIVE BODY

FOR THE
2004 AMENDMENT
TO THE
REDEVELOPMENT PLAN
FOR THE
1993 VICTOR VALLEY REDEVELOPMENT PROJECT
(AMENDMENT NO. 6)

Prepared:

June 1, 2004

Prepared for:

City of Victorville
14343 Civic Drive
Victorville, California 92392

Prepared by:

Green, de Bortnowsky & Quintanilla, LLP
23801 Calabasas Road, Suite 1015
Calabasas, California 91302
(818) 704-0195

INTRODUCTION

The Victor Valley Economic Development Authority ("VVEDA") is taking steps leading to the adoption of an amendment to the Redevelopment Plan for the 1993 Victor Valley Redevelopment Project ("2004 Amendment"). The Redevelopment Plan for the 1993 Victor Valley Redevelopment Project ("Redevelopment Plan" or "Plan") was adopted on December 28, 1993, by VVEDA by Ordinance No. 2. The Redevelopment Plan was amended on December 28, 1994, by Ordinance No. 4 to establish the time limit that enables VVEDA to collect tax increment revenues for up to forty (40) years following the Redevelopment Plan's adoption date. The Plan was amended again on June 11, 1997, by Ordinance No. 5 to utilize the 1994-95 fiscal year as the base year for the purpose of establishing the assessed valuations for the properties within the boundaries of the 1993 Victor Valley Redevelopment Project ("Project Area") until such time that the San Bernardino County Assessor certifies that the assessed values for the Project Area equal or exceed the assessed value in the initial base year.

The 1998 Amendment to the Redevelopment Plan amended the Plan on April 22, 1998, by Ordinance No. 7 and allowed for the power of eminent domain in certain primarily nonresidential areas in the Project Area, which were located within the jurisdiction of the Town of Apple Valley and the County unincorporated territory. The Fourth Amendment to the Redevelopment Plan adopted on July 12, 2000, added Territory to the Project Area within the jurisdictions of the Cities of Adelanto and Victorville, as well as County unincorporated territory.

The most recent 2003 Amendment to the Redevelopment Plan (Amendment No. 5) amended the Plan on December 23, 2003, by Ordinance No. 9 and expanded the authority for VVEDA to acquire property through the power of eminent domain within certain portions of the Project Area in the cities of Victorville and Adelanto and a portion of the unincorporated San Bernardino territory.

The Project Area currently encompasses approximately 60,000 acres and includes both developed and undeveloped land within the boundaries of the eight-mile radius of George Air Force Base ("GAFB") (now known as Southern California Logistics Airport) as permitted by special redevelopment legislation regarding military base closures. The Project Area includes territory within the cities of Victorville, Adelanto and Hesperia, the Town of Apple Valley, and unincorporated territory within the County of San Bernardino.

If adopted, the 2004 Amendment would allow for deferral of VVEDA's deposit of housing set-aside funds pursuant to section 33492.40(e)(2) of the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq. "Redevelopment Law") for a specific period not to exceed five (5) years in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities.

This document is the Report to the Legislative Body of VVEDA ("Report") on the proposed 2004 Amendment and has been prepared pursuant to Sections 33457.1, 33352, and 33492.40 of the Redevelopment Law. Pursuant to Section 33352 of the Redevelopment Law,

VVEDA is required to submit a Report containing specific documentation regarding the proposed 2004 Amendment. The purpose of this Report is to provide the information, documentation, and evidence required to support the adoption of the 2004 Amendment. This information, documentation, and evidence is provided to assist VVEDA in its consideration of the proposed 2004 Amendment, and in making the various determinations in connection with its adoption.

The proposed 2004 Amendment proposes only one change to the Redevelopment Plan; the deferral of VVEDA's deposit of housing set-aside funds for a specific period not to exceed five (5) years pursuant to Section 33492.40(e)(2) of the Redevelopment Law. Current law requires that twenty percent (20%) of the tax increment revenues generated from each Participating Jurisdiction's portion of the Project Area be distributed to each such Participating Jurisdiction to be spent on low and moderate income housing projects and programs. The proposed 2004 Amendment would enable each such Participating Jurisdiction to defer its deposit and use of such 20% Low and Moderate Income Housing Fund moneys for a period of up to five (5) years from June 23, 2004. Each such Participating Jurisdiction, to the extent it elects to defer such deposit, would thereafter be required to repay any such amounts so deferred in accordance with a fifteen (15) year repayment plan, with quarterly installments of principal and interest commencing in Year Six thereafter. The principal installment of such repayments should come from non housing, tax increment attributable to each Participating Jurisdiction's portion of the Project Area. Interest on such amounts will accrue at the Local Agency Investment Fund ("LAIF") rate.

Section 33457.1 of the Redevelopment Law states that the reports and information required by Section 33352, to the extent warranted by the proposed 2004 Amendment, shall be prepared and made available to the public prior to the hearing on the proposed 2004 Amendment. Much of the information required for the sections of this Report was previously documented in the Report to the Legislative Body of VVEDA prepared for the adoption of the Redevelopment Plan and updated in the Report to Legislative Body for the Fourth Amendment to the Redevelopment Plan which is on file with the Authority Secretary. Said Reports and are incorporated herein by this reference. It is also important to note that Section 33368 of the Redevelopment Law states that VVEDA's adoption of the ordinance adopting the Redevelopment Plan is final and conclusive, and it is thereafter conclusively presumed that the Project Area is a blighted area as defined by Section 33031 of the Redevelopment Law and that all prior proceedings have been duly and regularly taken.

In order to provide for the deferment of the Low and Moderate Income Housing Funds, the Authority must make certain specific findings as follows:

“(A) The military facility or installation cannot be acquired or developed by private enterprise without the assistance of the agency.

(B) There are no feasible alternative means of financing the acquisition or development of the military facility or installation other than by utilizing the low- and moderate-income housing portion of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670.

(C) Failure of the agency to finance the acquisition or development of the military facility or installation would lead to serious economic hardship and job loss."

A. **GAFB Cannot be Developed by Private Enterprise Without the Assistance of the Agency**

The primary reason the GAFB reuse cannot be accomplished by private enterprise acting alone is that the primary goal of both the Federal and State governments is to see that the Base remains available for aviation purposes. Both entities recognize the existence of airfield and support facilities are of such a significant value that it would be very difficult to "recreate" these types of facilities if they were lost. To retain the aviation asset requires that it, for the most part, be transferred to another, preferably local, public entity.

The portions of the Base that will not be part of the public airport are encumbered by significant development constraints. First, the entire Base is a Superfund site and as such, any development on the Base presents a major risk to private sector investors. This has been borne out by the lack of private capital investment that has occurred on the Base since its closing in 1992. Ironically, one of the private companies that did invest in the Base was the Sumiden Corporation. That company has since closed its doors and its facility has remained vacant for over a year.

In addition, private enterprise acting alone has been unable to accomplish redevelopment of the areas surrounding the Air Base because of the magnitude of the impacts caused by the closure on the local economy. Essentially the base closure lead to a loss of military jobs, procurements and civilian jobs on the base. This, in turn, lead to fewer jobs supported off-base and fewer households supported in the region, ultimately resulting in a lower population and less income in the region. The severity of the impact will continue to be felt for many years and it is imperative that all possible efforts be put to minimize the economic decline that has and will occur as a result of the closure.

For several years, the Airport Authority has engaged the services of a Master Developer, Stirling Airports International, to solicit and encourage investment at the Base. Their efforts for over more than six (6) years have not lead to any significant investments of private capital into the Base except for one project. The constraints associated with the lack of reliable infrastructure and the demolition costs associated with buildings containing lead and asbestos have made it extremely difficult to encourage private investment in the Base. Other portions of Victorville which do not have the same infrastructure and environmental constraints as the Base have been far more successful at encouraging private sector investments.

B. **No Feasible Financing Alternatives**

Finally, since both the federal and state governments are under extreme budgetary shortfalls, it is abundantly clear that federal and state assistance in providing funding for necessary public infrastructure improvements and facilities will be less than needed. Other financing options, such as airport tax increment bonds have not been sufficient in generating

enough revenue to support the infrastructure needs. Because of the enormous costs associated with improvements to the inadequate and insufficient infrastructure of the Air Base and Project Area, it cannot be reasonably expected that the participating jurisdictions or private enterprise acting along will have the means to accomplish reuse of the Air Base and Project Area. Furthermore, although, the business plan adopted by VVEDA indicates that once improvements are made to the airfield and facilities continue to be leased and, ultimately sold, civilian use of the airport could be profitable, such profitability has not yet been realized. As such the deferral of VVEDA's deposit of housing set-aside funds is imperative to effectively develop the infrastructure of the Air Base and Project Area.

C. **FAILURE TO FINANCE BASE DEVELOPMENT WILL LEAD TO SERIOUS ECONOMIC HARDSHIP**

Funds made available through this Amendment can be used immediately to pay for the cost of infrastructure items on the Base and adjacent to the Base. This includes, but is not limited to, the construction of major rail infrastructure improvements. The Authority has been informed that if such rail infrastructure is available, it will result in the creation of development opportunities for manufacturing and warehousing facilities which, in turn, will result in the creation of hundreds, if not thousands, of jobs. Such rail infrastructure development has already received the endorsement of two major rail companies who are seeking to establish multimodal and intermodal rail facilities at and adjacent to SCLA. This will directly reduce the negative economic blighting effects that were suffered as a result of Base closure.

The remaining contents of this Report are presented in 14 sections which generally correspond to the subdivisions presented in Section 33352 of the Redevelopment Law. The sections are as follows.

- SECTION A Reasons for Amending the Redevelopment Plan and a Description of Specific Projects Proposed and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area
- SECTION B Description of the Physical and Economic Conditions Existing in the Areas Affected by the 2003 Amendment Including a List of Blighting Conditions and Maps Showing Where the Conditions Exist
- SECTION C An Implementation Plan that Describes Specific Goals, Objectives, Projects, and Expenditures for the Next Five Years and a Description of How These Projects Will Improve or Alleviate Blighting Conditions
- SECTION D Why the Elimination of Blight and Redevelopment Cannot be Accomplished by Private Enterprise Acting Alone or by VVEDA's Use of Financing Alternatives Other Than Tax Increment
- SECTION E The Method of Financing
- SECTION F The Relocation Plan
- SECTION G Analysis of the Preliminary Plan
- SECTION H Report and Recommendation of the Planning Commission
- SECTION I Project Area Committee Requirement
- SECTION J General Plan Conformance
- SECTION K Environmental Documentation
- SECTION L Report of the County Fiscal Officer
- SECTION M Neighborhood Impact Report
- SECTION N Analysis of the Report Prepared by the County Fiscal Officer, a Summary of Consultations with Affected Taxing Agencies and Responses to Affected Taxing Agencies' Concerns Regarding the 2003 Amendment

SECTION A

Reasons for Amending the Redevelopment Plan and Description of Specific Projects Proposed and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area

1. **Provide for the Deferral of VVEDA's Deposit of Housing Set-Aside Funds Pursuant to Health and Safety Code Section 33492.40(e)(2)**

The 2004 Amendment will provide for the deferral of VVEDA's deposit of housing set-aside funds pursuant to section 33492.40(e)(2) of the Health and Safety Code for a specific period not to exceed five (5) years in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities.

2. **Eliminate Blighting Conditions**

The proposed 2004 Amendment will provide VVEDA with the funding needed to continue to eliminate and prevent the spread of blighting conditions and to conserve, rehabilitate, and redevelop the 2004 Amendment Area in accordance with the Redevelopment Plan and Five-Year Implementation Plan. New businesses will create new jobs and increase economic activity in the area. New commercial development will prevent further economic decline, create new sales tax revenues, and encourage private sector investment in the Project Area.

This Report does not contain the information required by subdivision (a) of Section 33352 because the reasons for selection of the Project Area remain the same and are not affected by the proposed 2004 Amendment.

SECTION B

Description of the Physical and Economic Conditions Existing in the Project Area Affected by the Proposed 2003 Amendment Including a List of Blighting Conditions and Maps Showing Where the Conditions Exist

Section 33352(b) of the Redevelopment Law requires a description of the physical and economic conditions that cause the Project Area to be blighted. This information was provided in the documentation which was prepared and provided as evidence that the Project Area was deemed blighted at the time of adoption. Pursuant to Section 33368 of the Redevelopment Law, the adoption of the ordinance adopting the Redevelopment Plan is final and conclusive, and it is thereafter conclusively presumed that the Project Area is a blighted area as defined by Section 33031 of the Redevelopment Law and that all prior proceedings have been duly and regularly taken. Given the language in both Sections 33368 and 33457.1 of the Redevelopment Law, additional description is not appropriate or required due to the fact that the proposed 2004 Amendment will not change the boundaries of the Project Area.

SECTION C

Five-Year Implementation Plan That Describes Specific Goals, Objectives, Projects, and Expenditures and a Description of How These Projects Will Improve or Alleviate Blighting Conditions

VVEDA adopted the Five-Year Implementation Plan for the Project Area on December 28, 1993, pursuant to Section 33490 of the Redevelopment Law. VVEDA adopted a second Five-Year Implementation Plan for the Project Area on December 8, 1999. VVEDA adopted their Midterm Review of the Second Five-Year Implementation Plan (Including Housing Compliance Plan) on October 8, 2003. The Implementation Plan contains specific goals and objectives of the Agency for the Project Area, the specific projects and expenditures proposed to be made during the five-year period, and an explanation of how these goals, objectives, and expenditures will eliminate blight within the Project Area.

SECTION D

Why the Elimination of Blight and Redevelopment Cannot Be Accomplished by Private Enterprise Acting Alone or by VVEDA's Use of Financing Alternatives Other Than Tax Increment

Section 33352(d) of the Redevelopment Law requires an explanation of why the elimination of blight in the Project Area cannot be accomplished by private enterprise alone, or by VVEDA's use of financing alternatives other than tax increment financing. This information was previously provided in the supporting documentation prepared and provided at the time the Project Area was adopted. The proposed 2004 Amendment will not make any changes which would affect the validity of the previously prepared documentation.

SECTION E

The Method of Financing

Section 33352(e) of the Redevelopment Law requires inclusion of a proposed method of financing the redevelopment of the Project Area. This documentation was provided at the time the Project Area was adopted. Because the proposed 2004 Amendment will not enlarge the Project Area or change the proposed method of financing, this proposed 2004 Amendment will not change the analysis prepared at the time the Project Area was adopted. This 2004 Amendment only affects the use of funds attributable to the Redevelopment Project Area and does not affect or impact, in any way, the distribution of revenues to the VVEDA members or affected taxing entities. Therefore, the proposed 2004 Amendment does not warrant that this section be prepared.

SECTION F

The Relocation Plan

Section 33352(f) of the Redevelopment Law requires inclusion of a plan and method of relocation in the Project Area. This information was provided in the supporting documentation prepared and provided at the time the Project Area was adopted. Pursuant to Section 33457.1 of the Redevelopment Law, and because the proposed 2004 Amendment will not enlarge the Project Area or change the previously prepared and adopted Relocation Plan, the proposed 2004 Amendment does not warrant the preparation of this section.

SECTION G

Analysis of the Preliminary Plan

Section 33352(g) of the Redevelopment Law requires the inclusion of an analysis of the Preliminary Plan. This information was provided in the supporting documentation prepared at the time the Project Area was adopted. Pursuant to Section 33457.1 of the Redevelopment Law, and because the analysis of the Preliminary Plan remains the same and is not affected by the proposed 2004 Amendment, additional analysis is not required.

SECTION H

Report and Recommendation of the Planning Commission

Section 33352(h) of the Redevelopment Law requires inclusion of a report and recommendation of the Planning Commission. This information was provided in the supporting documentation which was prepared at the time the Project Area was adopted. The Agency did not request a report and recommendation of the Planning Commission, pursuant to Section 33453 of the Redevelopment Law, because the proposed 2004 Amendment will not affect the land use provisions of the Plan and it was previously determined that the Plan was in conformance with the adopted General Plans of the participating jurisdictions of VVEDA.

SECTION I

Project Area Committee Requirement

Section 33352(i) of the Redevelopment Law requires a summary of information presented to the Project Area Committee ("PAC"). However, Section 33320.5(f) of the Redevelopment Law states that the formation of a Project Area Committee is not required with respect to the adoption of a redevelopment plan, or the amendment of a redevelopment plan, which involves a military base closure redevelopment project and a joint powers agency acting as the redevelopment agency. Therefore, the preparation of this section is not required.

SECTION J

General Plan Conformance

Section 33352(j) of the Redevelopment Law requires a report of General Plan Conformance per Section 65402 of the Government Code. Information which determined that the Redevelopment Plan was in conformance with the General Plans was provided in the documentation which was prepared at the time the Project Area was adopted. VVEDA is not required to prepare this section due to the fact that the proposed 2004 Amendment does not contain provisions which would alter land use designations, nor does the proposed 2004 Amendment affect the land use provisions of the Plan.

SECTION K

Environmental Documentation

Section 33352(k) of the Redevelopment Law requires the inclusion of the report prepared pursuant to Section 21151 of the Public Resources Code. An Initial study was not prepared in connection with the proposed 2004 Amendment, pursuant to California Environmental Quality Act ("CEQA") guidelines, because it was determined that the proposed 2004 Amendment will only make textual changes to the Redevelopment Plan and not result in the construction of any facilities or the establishment of any programs outside the scope of the Redevelopment Plan, i.e., that the 2004 Amendment is not a "Project" as defined in CEQA that has the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Likewise, the 2004 Amendment is exempt from CEQA compliance under the common sense exemption set forth in the CEQA Guidelines. The proposed 2004 Amendment will not have a significant adverse impact on the environment and a Notice of Exemption for the proposed 2004 Amendment was prepared. VVEDA will consider the assessment, staff recommendations and public input at the public hearing scheduled for June 9, 2004.

SECTION L

Report of the County Fiscal Officer

The proposed 2003 Amendment will not enlarge the Project Area; therefore, it is not necessary for VVEDA to request a base year report from the County of San Bernardino ("County") pursuant to Redevelopment Law Section 33328. This information was provided in the supporting documentation which was prepared and provided at the time the Project Area was adopted. Because the proposed 2004 Amendment will not alter the boundaries of the Project Area, this report is not needed or required.

SECTION M

Neighborhood Impact Report

Section 33352(m) of the Redevelopment Law requires the inclusion of a Neighborhood Impact Report. This information was provided in the supporting documentation which was prepared and provided at the time the Project Area was adopted. Pursuant to Section 33457.1 of the Redevelopment Law, because this proposed 2004 Amendment will not enlarge the Project Area, no additional analysis would be appropriate or required.

SECTION N

Analysis of the Report Prepared by the County Fiscal Officer, a Summary of Consultations with Affected Taxing Agencies, and Response to Affected Taxing Agencies' Concerns Regarding the proposed 2004 Amendment

The Agency did not submit a request to the County to prepare a report pursuant to Section 33328 of the Redevelopment Law. Because the proposed 2004 Amendment will not add area to the Project Area, it was neither required nor appropriate to prepare such a report; therefore, a summary of this report is not included. With regard to consultations with affected taxing agencies, this 2004 Amendment only affects the use of funds attributable to the Redevelopment Project Area and does not affect or impact, in any way, the distribution of revenues to the affected taxing entities, nor will it significantly change land uses or public improvement projects and, therefore, additional consultations are not needed.

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

June 9, 2004

Item: **RESOLUTION OF THE COMMISSION FOR THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY FINDING THAT THE FORMATION OF A PROJECT AREA COMMITTEE IS NOT REQUIRED IN CONNECTION WITH THE PROPOSED 2004 AMENDMENT TO THE 1993 VICTOR VALLEY REDEVELOPMENT PLAN (AMENDMENT NO. 6)**

Action to
be Taken: Adopt Resolution 04-010

Certified copy of Resolution to be returned to Green, de Bortnowsky & Quintanilla, LLP

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VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 04-010

RESOLUTION OF THE COMMISSION FOR THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY FINDING THAT THE FORMATION OF A PROJECT AREA COMMITTEE IS NOT REQUIRED IN CONNECTION WITH THE PROPOSED 2004 AMENDMENT TO THE 1993 VICTOR VALLEY REDEVELOPMENT PLAN (AMENDMENT NO. 6)

WHEREAS, the Victor Valley Economic Development Authority ("VVEDA") is a joint powers authority which was formed for the purposes of causing the redevelopment of former George Air Force Base ("GAFB") (now known as Southern California Logistics Airport) and certain areas in proximity thereto in accordance with the provisions of Health and Safety Code Section 33492.40; and

WHEREAS, VVEDA was formed and presently exists pursuant to a certain Fourth Amended Joint Exercise of Powers Agreement (the "Joint Powers Agreement") by and among the City of Victorville, City of Adelanto, City of Hesperia, Town of Apple Valley and County of San Bernardino (collectively the "Members"); and

WHEREAS, under Section 33492.40 of Health and Safety Code, VVEDA, although not organized as a redevelopment agency, has and shall exclusively exercise redevelopment powers in furtherance of the redevelopment of a project area approved by VVEDA and, in addition to exercising the powers of a redevelopment agency, shall act as the legislative body and planning commission for all approvals and actions of the legislative bodies and planning commissions for the adoption and implementation of a redevelopment plan; and

WHEREAS, in order to promote the civilian reuse of former GAFB, VVEDA has previously taken certain actions with respect to the adoption of the 1993 Victor Valley Redevelopment Plan, as amended (the ARedevelopment Plan@); and

WHEREAS, certain of the Members have deemed it desirable at this time to seek an amendment to the existing Redevelopment Plan (the A2004 Amendment@) in order to provide for the deferral of VVEDA's deposit of housing set-aside funds pursuant to section 33492.40(e)(2) of the Health and Safety Code for a specific period not to exceed five (5) years in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities; and

WHEREAS, under Health and Safety Code Section 33492.40(f), VVEDA as a joint powers agency acting as the legislative body, is exempt from forming a project area committee pursuant to Section 33347.5 to review the 2004 Amendment.

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NOW THEREFORE, BE IT RESOLVED:

SECTION 1. The Recitals contained herein are true and correct and are incorporated herein by this reference.

SECTION 2. VVEDA is exempt under Health and Safety Code Section 33492.40(f) from forming a project area committee to review the 2004 Amendment.

SECTION 3. This Resolution shall take effect upon the date of its adoption.

This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 9th day of June, 2004, by the following vote:

AYES:	<u>NASSIF, PACK, NEHMENS, MITZELFELT, CALDWELL</u>
NOES:	<u>NONE</u>
ABSENT:	<u>POSTMUS</u>
ABSTAIN:	<u>NONE</u>

Terry E. Caldwell
Vice-Chairman of the Governing Board
of the Victor Valley Economic
Development Authority

(SEAL)

ATTEST,

Mary Morgan
Secretary to the Victor Valley
Economic Development Authority

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VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

June 9, 2004

Item: **RESOLUTION OF THE COMMISSION FOR
THE VICTOR VALLEY ECONOMIC DEVELOPMENT
AUTHORITY RECEIVING THE PROPOSED REPORT TO
LEGISLATIVE BODY FOR THE 2004 AMENDMENT TO
THE 1993 VICTOR VALLEY REDEVELOPMENT PLAN
(AMENDMENT NO. 6)**

Exhibit A – Report to the Legislative Body for the 2004 Amendment to the
1993 Victor Valley Redevelopment Plan (Amendment No. 6)

Action to
be Taken: Adopt Resolution 04-011 append Exhibit A.

Certified copy of Resolution to be returned to Green, de Bortnowsky & Quintanilla, LLP

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VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 04-011

**RESOLUTION OF THE COMMISSION FOR THE VICTOR
VALLEY ECONOMIC DEVELOPMENT AUTHORITY
RECEIVING THE PROPOSED REPORT TO LEGISLATIVE
BODY FOR THE 2004 AMENDMENT TO THE 1993 VICTOR
VALLEY REDEVELOPMENT PLAN (AMENDMENT NO. 6)**

WHEREAS, the Victor Valley Economic Development Authority ("VVEDA") is a joint powers authority which was formed for the purposes of causing the redevelopment of former George Air Force Base ("GAFB") (now known as Southern California Logistics Airport) and certain areas in proximity thereto in accordance with the provisions of Health and Safety Code Section 33492.40; and

WHEREAS, VVEDA was formed and presently exists pursuant to a certain Fourth Amended Joint Exercise of Powers Agreement (the "Joint Powers Agreement") by and among the City of Victorville, City of Adelanto, City of Hesperia, Town of Apple Valley and County of San Bernardino (collectively the "Members"); and

WHEREAS, under Section 33492.40 of Health and Safety Code, VVEDA, although not organized as a redevelopment agency, has and shall exclusively exercise redevelopment powers in furtherance of the redevelopment of a project area approved by VVEDA and, in addition to exercising the powers of a redevelopment agency, shall act as the legislative body and planning commission for all approvals and actions of the legislative bodies and planning commissions for the adoption and implementation of a redevelopment plan; and

WHEREAS, in order to promote the civilian reuse of former GAFB, VVEDA has previously taken certain actions with respect to the adoption of the 1993 Victor Valley Redevelopment Plan, as amended (the ARedevelopment Plan@); and

WHEREAS, certain of the Members have deemed it desirable at this time to seek an amendment to the existing Redevelopment Plan (the A2004 Amendment@) in order to provide for the deferral of VVEDA's deposit of housing set-aside funds pursuant to section 33492.40(e)(2) of the Health and Safety Code for a specific period not to exceed five (5) years in order to use such funds to facilitate the expeditious funding of much needed infrastructure projects and other general redevelopment activities; and

WHEREAS, under Health and Safety Code Section 33457.1, VVEDA must receive and make available to the public prior to the public hearing, a report pursuant to Section 33352; and

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WHEREAS, VVEDA's staff has prepared the proposed Report to Legislative Body for the 2004 Amendment, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW THEREFORE, BE IT RESOLVED:

SECTION 1. The Recitals contained herein are true and correct and are incorporated herein by this reference.

SECTION 2. VVEDA hereby receives the proposed Report to Legislative Body for the 2004 Amendment attached hereto as Exhibit AA@ and incorporated herein by this reference.

SECTION 3. VVEDA approves for public review the proposed Report to Legislative Body for the 2004 Amendment of which is now on file in the office of the Secretary substantially in the form and content presented to VVEDA.

SECTION 4. VVEDA's staff is hereby authorized to make such modifications and revisions to the Report to Legislative Body for the 2004 Amendment as may be necessary or appropriate.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 9th day of June, 2004, by the following vote:

AYES:	<u>NASSIF, PACK, NEHMENS, MITZELFELT, CALDWELL</u>
NOES:	<u>NONE</u>
ABSENT:	<u>POSTMUS</u>
ABSTAIN:	<u>NONE</u>

Terry E. Caldwell
Vice-Chairman of the Governing Board
of the Victor Valley Economic
Development Authority

(SEAL)

ATTEST:
Mary Morgan
Secretary to the Victor Valley
Economic Development Authority

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EXHIBIT "A"

REPORT TO THE LEGISLATIVE BODY FOR THE 2004 AMENDMENT TO THE 1993
VICTOR VALLEY REDEVELOPMENT PLAN (AMENDMENT NO. 6)

000152

HOUSING COMPLIANCE PLAN

This section of the Implementation Plan has been prepared to meet the requirements of Section 33413(b)(4) of the Community Redevelopment Law, California Health and Safety Code Section 33000, et seq. ("Law"). Section 33413(b)(4) requires that this Housing Compliance Plan include the contents required by Section 33490(a)(2) and (3) and be adopted by VVEDA prior to December 31, 1994, as part of the implementation plan required by Section 33490 of the Law.

VVEDA adopted the Redevelopment Plan for the 1993 Victor Valley Redevelopment Project ("Redevelopment Plan") on December 28, 1993 by Ordinance No. 2, and thereby created the Project Area. The Project Area includes territory within the cities of Victorville and Hesperia, the Town of Apple Valley, and unincorporated territory within the County of San Bernardino, herein referred to as the "Participating Jurisdictions."

The Housing Compliance Plan has been developed to accomplish the following goals:

- To account for the number of affordable dwelling units, either constructed or substantially rehabilitated, in the Project Area since adoption;
- To assess existing needs for the production of affordable housing as a result of the construction or substantial rehabilitation of dwelling units since the Project Area was adopted;
- To estimate the current funds available in, and projected deposits to, the Housing Fund;
- To estimate the number of new, rehabilitated, or price-restricted housing units to be assisted during each of the five years, and estimates of the expenditures of monies from the Housing Fund;
- To estimate the number of new, substantially rehabilitated, or price-restricted residential units to be developed or purchased both over the life of the Redevelopment Plan and during the next ten years, and the number of such units of very low, low, and moderate income households required to be developed to comply with Section 33413(b)(2) of the Law;
- To estimate the number of units of very low, low, and moderate income households which have been developed which meet the requirements of Section 33413(b)(2) of the Law;
- To estimate the number of VVEDA-developed units which will be developed during the next five years which will be governed by Section 33413(b)(1) of the Law, and the number of such units for very low, low, and moderate income households;

4. If a member jurisdiction fails to comply with these policies, or fails to comply with State law pertaining to the housing fund, its expenditure, and reporting requirements pertaining thereto, future tax increment deposits for the low and moderate income housing fund to that member jurisdiction may be withheld by VVEDA. If this event occurs, the member jurisdiction shall adopt a plan for remedying the situation, and once the situation is corrected, tax increment deposits (less administrative and other expenses related to the violation) will again commence to that member jurisdiction.

LEGAL REQUIREMENTS

The provisions of Section 33413(b)(4) of the Law require all redevelopment agencies to adopt and periodically update a plan to ensure compliance with the existing criteria of Section 33413 of the Law regarding the affordability mix of new or rehabilitated housing units. Since 1976, redevelopment agencies have been required to assure that at least thirty percent (30%) of all new or rehabilitated units developed by an agency are available at affordable costs to households of low or moderate income (not to exceed 120% of area median income). Of this thirty percent (30%), not less than fifty percent (50%), that is, fifteen percent (15%) of the total project area units developed or rehabilitated by an agency, are required to be available at affordable costs to very low income (50% or below of area median income) households. Further, Section 33413 requires that at least fifteen percent (15%) of all new or substantially rehabilitated dwelling units developed within each project area by entities other than an agency be made available at affordable costs to low or moderate income households. Of this fifteen percent (15%), not less than forty percent (40%) of the dwelling units, that is six percent (6%) of the total units developed in the project area, are required to be available at affordable costs to very low income households. These requirements are applicable to housing units as aggregated and not on a case-by-case basis to each dwelling unit created or rehabilitated unless so required by an agency.

The Housing Compliance Plan must be consistent with the Participating Jurisdiction's housing elements and must also be reviewed and, if necessary, amended at least every five (5) years with either the housing element's cycle or the implementation plan cycle.

The Law requires that the Housing Compliance Plan contain the contents required by Section 33490(a)(2) and (3) which include the number of units of very low, low, and moderate income households, which have been developed in the project area which meet the requirements of 33413(b)(2) and estimates of the following:

- The number of new, substantially rehabilitated, or price-restricted residential units to be developed or purchased within the Project Area for a ten (10) year period, as well as over the duration of the Redevelopment Plan.
 - Of these, the number of units for very low income households, and
 - The number of units for low and moderate income households.
- The number of units to be developed by VVEDA for a five (5) year period.
 - Of these, the number of units for very low income households, and
 - The number of units for low and moderate income households.

If, at the end of each ten (10) year period, the production estimate is not realized, the Law requires that VVEDA meet the production goals on an annual basis until the requirements for the ten (10) year period are met. Should VVEDA exceed the production requirements within the ten (10) year period, the Law permits VVEDA to count the units that exceed the requirements to meet housing production requirements during the next ten (10) year period.

DEFINITIONS AND DATA COMPILATION

Section 33413 of the Law requires that this Housing Compliance Plan take into account all residential construction or substantial rehabilitation that has occurred within the Project Area since adoption in order to determine affordable housing production needs. This Housing Compliance Plan includes figures for existing residential construction and substantial rehabilitation, and projections for the number of additional dwelling units to be constructed or substantially rehabilitated during the next ten (10) years and over the life of the Redevelopment Plan. The following sections define "new construction" and "substantial rehabilitation" as used in this Housing Compliance Plan, as well as the methodology used for collecting data on both existing and projected housing units.

1. **New Construction:** Construction statistics were provided by the staff members of each Participating Jurisdiction. Because the Law does not establish a clear definition for new construction, staff members and the consultant formed a "definition" of what would be considered new construction for the purposes of this Housing Compliance Plan. Dwelling units with building permits issued since the adoption date of the Project Area were considered to be new construction. Therefore, these units would fall under the requirements for production of affordable housing within the Project Area pursuant to Section 33413 of the Law. Projections are affected by numerous complex factors as: the general health of the local, regional, and national economy; employment levels; competition; and inventory of existing housing. Based upon the recent economic trends, a projection of new units to be constructed over the next ten (10) years is difficult. Projections for future dwelling units to be constructed within the Project Area used in this Housing Compliance Plan are based upon existing land uses and recent historical trends of building permits issued for residential units. Staff does not anticipate that the Project Area will experience buildout within the ten (10) year time frame covered by this Housing Compliance Plan.

It should be noted that neither the existing housing stock nor projections for future dwelling units in the Project Area include any units to be developed by VVEDA. According to staff, VVEDA and its members from each Participating Jurisdiction do not anticipate directly developing or rehabilitating any dwelling units which would trigger the thirty percent (30%) affordable housing requirement of Section 33413(b)(1) of the Law. However, VVEDA and its members from each Participating Jurisdiction will cooperate with and provide assistance and incentives to private developers in order to meet affordable housing production goals.

2. **Substantial Rehabilitation:** The Law, as amended by AB 1290, defines "substantial rehabilitation" as:

"....substantially rehabilitated multifamily rented dwelling units with three or more units or substantially rehabilitated, with agency assistance, single-family dwelling units with one or two units."
33413(b)(2)(A)(iii)

As defined by AB 1290 "substantially rehabilitated dwelling units" means:

"....rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of the land value." 33413(b)(2)(A)(iv)

According to data provided by staff, to date, no units have undergone substantial rehabilitation, as defined above, in the Project Area. Substantial rehabilitation has probably not occurred because of the lack of revenue. Until significant revenue is generated, this Housing Compliance Plan does not assume that any future substantial rehabilitation will occur.

PROVISION OF AFFORDABLE HOUSING TO DATE

For all redevelopment project areas adopted after January 1, 1976, Health and Safety Code Section 33413 requires that affordable housing be provided in conjunction with: (a) the destruction or removal of existing affordable dwelling units within a project area by direct or indirect involvement of a redevelopment agency; and (b) development of new or substantially rehabilitated dwelling units within a project area. The following sections identify the number of dwelling units which have been destroyed/removed, constructed, or substantially rehabilitated within the Project Area to date. Section D identifies affordable housing units required in the Project Area due to the development of housing units from the Project Area adoption.

A. Dwelling Units Destroyed or Removed Directly or Indirectly by Agency

As of the date of this Housing Compliance Plan, VVEDA has not destroyed (or removed) any units housing persons and families of low and moderate income in the Project Area, or assisted financially with projects that resulted in the destruction or removal of such dwelling units.

At this time, VVEDA does not have any plans to destroy, remove, or to assist financially with projects that result in the destruction or removal of any affordable housing units. Therefore, no replacement housing is anticipated at this time.

However, if future projects within the Project Area result in the destruction or removal of any affordable housing units, VVEDA will be required to provide relocation assistance for the displaced residents and to replace the units within four years of their demolition.

B. Dwelling Units Constructed or Substantially Rehabilitated within the Project Area to Date

As shown on Table 1, the number of dwelling units constructed within the Project Area to date is at least 1,287 (City of Victorville-1,287, City of Hesperia-To Be Determined, Town of Apple Valley-To Be Determined, San Bernardino County-To Be Determined). All of these dwelling units were developed privately. VVEDA has not developed housing units in the Project Area.

Using historical records and the definition of "substantial rehabilitation" added by AB 1290, and data provided by staff from the Participating Jurisdictions, it has been determined that there have not been any dwelling units substantially rehabilitated in the Project Area by either VVEDA or a non-VVEDA entity.

TABLE 1	
UNITS DESTROYED/REMOVED CONSTRUCTED AND REHABILITATED 1993 (Project Adoption) to 1997	
UNITS DESTROYED OR REMOVED BY VVEDA	0
UNITS CONSTRUCTED:	
VVEDA Developed Units	0
Privately Developed Units:	
City of Victorville	1,287
City of Hesperia	TBD
County of San Bernardino	TBD
Town of Apple Valley	TBD
TOTAL:	1,287
UNITS SUBSTANTIALLY REHABILITATED	0
Notes: TBD = To Be Determined	
VVEDA/5YR/IMP/TABLE 1	

C. Dwelling Units Constructed or Rehabilitated as Affordable Housing to Date

To date, VVEDA has not constructed or rehabilitated any units as affordable housing.

D. Affordable Housing Units Required

Section 33413(b)(2) of the Law requires that at least fifteen percent (15%) of all new and substantially rehabilitated dwelling units completed within a project area by public or private entities (other than the agency), must be available at affordable housing cost levels to persons and families of low or moderate incomes. Of these, not less than forty percent (40%) (or six percent (6%) of all units constructed or substantially rehabilitated in the Project Area) are required to be made available at costs affordable to very low income households.

In the Project Area, there have been a total of at least 1,287 privately developed units constructed since the project was adopted in 1993. As shown on Table 2, Section 33413(b)(2) of the Law requires that a total of at least 193 units or (15% of 1,287) affordable housing units be provided in the Project Area. Of the 193 affordable housing units currently required for the Project Area, at least 77 units must be at the very low income household level, and at least 116 units must be at the low or moderate income level. VVEDA needs to produce these affordable housing units during the next ten (10) years to meet the affordable housing unit requirement created by the development that has occurred within the Project Area. See Table 2 below.

TABLE 2						
INCLUSIONARY AFFORDABLE HOUSING PRODUCTION						
	Total Private Rehab. Units		Affordability Requirement	Required Affordable Units	Required Very Low Income Units	Required Low/Moderate Income Units
1993 (Project Adoption) to 1997	1,287	x	15%	193	77	116
Note: Housing unit data from various Participating Jurisdictions is yet to be determined. Therefore, these figures may change.						
VVEDA\SYRIMP\TABLE 2						

VVEDA has not been required to replace any destroyed units and has not produced any units with affordability covenants as shown in Table 3 below. Therefore, VVEDA has an affordable housing unit deficit of at least 193 units, of which at least 77 units must be available to very low income households and at least 116 units must be available to low and moderate income households.

TABLE 3			
TOTAL AFFORDABLE HOUSING UNITS REQUIRED			
1993 (Project Adoption) to 1997			
	Total Units	Very Low Income Units	Low/Moderate Income Units
Replacement Units Required	0	0	0
Inclusionary Affordable Units Required	193	77	116
	193	77	116
Units with Affordability Covenants	0	0	0
Total Affordable Units Required	193	77	116
Note: Housing unit data from various Participating Jurisdictions is yet to be determined. Therefore, these figures may change.			
VVEDA\SYRIMP\TABLE 3			

FUTURE AFFORDABLE DWELLING UNITS

Estimates for the total number of dwelling units to be constructed within the Project Area during the next ten (10) years and over the life of the Project Area were calculated by examining existing land uses, recent growth trends within the Project Area, and proposed land uses designated in the General Plans of the Participating Jurisdictions. The total number of housing units estimated to be developed over the next ten (10) years and over the life of the Project Area is at least 4,400 units as shown in Table 4 below.

TABLE 4		
FUTURE HOUSING UNITS 1997 TO 2007 AND OVER LIFE OF PLAN		
	1997-2007	LIFE OF PLAN
Estimated Number of Units:		
City of Victorville	4,000	4,400
City of Hesperia	TBD	TBD
County of San Bernardino	TBD	TBD
Town of Apple Valley	TBD	TBD
	4,000	4,400
Notes: TBD = To Be Determined		
VVEDA\SYRIMP\TABLE 4		

Section 33413(b)(2) of the Law requires that of the estimated number of units to be constructed in the Project Area, at least fifteen (15) or (15% of 100) must be available at affordable housing cost levels. As shown on Table 5 below, at least 240 units or (40% of the 15%) must be available for households with very low income levels and at least 360 units must be made available to households with low or moderate income levels during the next ten (10) years. As previously discussed, this Housing Compliance Plan assumes that no housing units will be substantially rehabilitated by either the Agency or non-Agency parties during the next ten (10) years, nor during the life of the Plan.

TABLE 5						
FUTURE HOUSING PRODUCTION AND AFFORDABLE HOUSING UNITS REQUIRED 1997-2007 AND OVER LIFE OF PLAN						
	Total Units		Affordability Requirement	Required Affordable Units	Required Very Low Income Units	Required Low/Moderate Income Units
Ten Year Unit Projection (1997-2007)	4,000	x	15%	600	240	360
Additional Unit Projection (2007 to end of Plan)	400	x	15%	60	24	36
TOTAL	4,400			660	264	396
Note: Housing unit data from various Participating Jurisdictions is yet to be determined. Therefore, these figures may change.						
VVEDA\SYRIMP\TABLE 5						

PROPOSED AFFORDABLE HOUSING PROGRAMS

A. Projections of Agency Twenty Percent (20%) Low and Moderate Income Housing Set-Aside Funds

Section 33334.2 of the Law requires that VVEDA set aside not less than twenty percent (20%) of all tax increment revenue allocated to VVEDA pursuant to Section 33670 of the Law into a separate housing fund account for the Project Area, to be used by VVEDA for the purpose of increasing, improving, and preserving the community's supply of low and moderate income available at affordable housing cost, to persons and families of low or moderate income and very low income households unless specific findings, as set forth in Section 33334.2 of the Law, are made. In addition, as set forth in Section 33334.4 of the Law, it is the stated policy of the Legislature that "...it shall be the policy of each agency to expend, over the duration of a redevelopment plan, the moneys in the Low and Moderate Income Housing Fund to assist housing for persons of low and very low income in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units needed for persons of moderate, low, and very low income within the community."

As required by Section 33334.2 of the Law, VVEDA will set aside twenty percent (20%) of tax increment revenue allocated to VVEDA from the Project Area into a separate housing fund account as tax increment revenue is generated. As described in the Implementation Plan, special legislation was recently adopted changing the base year for the Project Area to 1997-98. VVEDA is currently working with County staff to implement this new legislation and once the methodology for calculating revenue is finalized, new revenue projections, including projection of housing set-aside funds, will be prepared.

To address how tax increment revenue is distributed amongst the Participating Jurisdictions, an agreement has been approved. The Third Amended and Restated Joint Exercise of Powers Agreement ("Third Amended Agreement") entered into by the Town of Apple Valley, City of Hesperia, City of Victorville, and the County of San Bernardino establishes how tax increment revenue generated by the Project Area is to be distributed. Specifics on this distribution is described in the Implementation Plan. The following is a general summary of how the 20% set-aside revenue is to be allocated to the Low and Moderate Income Housing Fund. For fiscal years 1997-98 and 1998-99, all tax increment shall be allocated solely for use on the Air Base parcels, setting aside 20% for low and moderate income housing purposes. Thereafter, all tax increment revenue generated by the Air Base parcels will be allocated for use on the Air Base, setting aside 20% for low and moderate income housing purposes. The tax increment revenue generated by Project Area property other than the Air Base will be allocated in the following manner: 20% of this revenue shall be set aside for low and moderate income housing, of which one-half shall be allocated to the Air Base parcels and one-half shall be allocated amongst the Participating Jurisdictions.

B. Other Agency Revenues

VVEDA may use a number of revenue sources for low and moderate income housing purposes, as they are available. One such source is the nonhousing Redevelopment Fund. However, because of VVEDA's lack of revenue, only 20% of tax increment revenue generated is expected to be used for housing purposes. Over the next five years, no revenue from the Agency's Redevelopment Fund (nonhousing) is currently projected to be available to assist with the implementation of affordable housing projects.

C. Federal/State Revenue Sources

1. **Federal Programs:** After reaching a peak in the late 1960's and early 1970's, federal assistance for affordable housing projects has decreased significantly during the 1980's and 1990's. The major source of housing assistance, the Department of Housing and Urban Development ("HUD"), had their budget slashed dramatically during the 1980's. HUD still provides some funds for community planning and development activities through Community Development Block Grants (CDBG) and rental subsidies through the Section 8 program.
2. **State Programs:** In conjunction with this Housing Compliance Plan, VVEDA may research available state affordable housing funding sources administered by the State Department of Housing and Community Development. Potential State housing programs which should be researched and evaluated include:

- California Homeownership Assistance Program
- California Housing Rehabilitation Program
- Proposition 84 Housing Funds
- Proposition 77 Housing Funds
- California Housing Finance Authority - New Construction

D. Other Financial Resources

1. **Low Income Housing Tax Credit:** As part of the 1986 Tax Reform Act, a new tax credit was made available to developers of new or rehabilitated rental housing. Use of the tax credit is possible if one of the following criteria is met: at least twenty percent (20%) of the completed units are rented to households at or below fifty percent (50%) of the area median gross income; or at least forty percent (40%) of the units are rented to households at or below sixty percent (60%) of the area median gross income. Rents on tax credit units cannot exceed thirty percent (30%) of the maximum income limits based upon household size.
2. **Tax Exempt Financing:** VVEDA has the legal power to issue tax exempt bonds or notes for the development (including rehabilitation) of both single family and multifamily housing. In addition, VVEDA with the Participating Jurisdictions can cooperate with the California Housing Finance Agency (CHFA) in bond issues. Such bonds must be issued under established federal and state requirements.

Multifamily revenue bonds may be issued to finance rental apartment projects. These bonds can be used to provide construction financing and permanent financing for newly built projects, and in some cases to provide for the acquisition and substantial rehabilitation of existing projects. Single family mortgage revenue bonds can be issued to provide below market mortgages for first time home buyers.

PROPOSED IMPLEMENTATION POLICIES/PROGRAMS

Proposed Programs

To meet the current deficiency of at least 193 units of very low, low, and moderate income housing units, the projected need over 10 years, and over the life of the Redevelopment Plan, VVEDA may undertake the following potential programs:

- First-time home buyers program (silent second mortgages)
- Interest rate subsidy program for qualified home buyers
- Multifamily rental housing rehabilitation program
- Scattered site acquisition and resale program involving the Resolution Trust Corporation (RTC) and nonprofit agencies
- Rehabilitation loans
- Rehabilitation grants
- Revenue bond financing for new construction

There are a variety of techniques currently available to address the provision of affordable housing. The legal and financial tools available do change from time to time. VVEDA will be flexible and should experiment with techniques to see which work best within the Project Area. As new tools become available, these should be explored. By employing a variety of techniques, VVEDA can maximize its production of affordable housing while reducing its risk through diversification. On the basis of its experience over time, VVEDA can continually refine its programs to achieve the greatest production within the income areas of greatest need with the most efficient investment of its funds. VVEDA shall prioritize housing programs that achieve meaningful progress toward the goals of this Housing Compliance Plan and the production of affordable housing units.

PROPOSED IMPLEMENTATION PROGRAMS AND PROJECTS

To meet VVEDA's deficiency of at least 193 affordable housing units, VVEDA will pursue affordable housing projects and other eligible housing programs as housing revenue becomes available. There is a strong possibility that this deficit may not be reduced over the next five years because of the lack of revenue. Therefore, VVEDA will have to implement these programs and projects over the next ten (10) years.

SCHEDULE OF ACTIONS/AVAILABLE REVENUE FOR IMPLEMENTING AFFORDABLE HOUSING PROGRAMS AND PROJECTS

The timeline for VVEDA's affordable housing programs to eliminate its current and projected affordable housing unit deficit will be dependent on each Participating Jurisdictions specific program schedule. Assuming conservatively that the Project Area's tax increment revenue increases at an annual 2% growth rate, the Project Area is expected to generate approximately \$3.5 in housing revenue over the next ten years. The revenue generated will be used to help eliminate the current and projected housing unit deficit.


CONSISTENCY OF HOUSING COMPLIANCE PLAN WITH PARTICIPATING JURISDICTIONS' HOUSING ELEMENTS

The programs outlined in this Housing Compliance Plan further the objectives of the Housing Elements of each of the Participating Jurisdictions. A major focal point of the goals and objectives of each Housing Element is to provide housing for all economic segments of the Project Area, especially lower income families. Because the major goal of this Housing Compliance Plan is also to provide housing for these lower income households, and the proposed plans and programs for improving the supply of affordable housing in the Project Area presented in this Housing Compliance Plan are similar to plans and policies of each Housing Element, there is clearly a high degree of consistency between the Housing Compliance Plan and each Housing Element.

REPORT

DATE: August 5, 2004
TO: Regional Council
FROM: Don Rhodes, Manager, Government and Public Affairs
(213) 236-1840, rhodes@scag.ca.gov
SUBJECT: Revised Communications Strategy

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the revised Communications Strategy for FY 2004-2005.

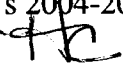
BACKGROUND:

SCAG's Communications Strategy was adopted by the Regional Council on November 7, 2002. This revised Communications Strategy, approved by the Communications and Membership Task Force on June 1, 2004, ensures that key messages, target audiences and major SCAG initiatives reflect organizational objectives. The revisions focus on a more integrated communications program. Environmental justice groups, Native American Tribal Councils, county transportation commissions, subregions and trade associations have specifically been added to the list of target audiences. Core messages to be incorporated into the overall communications program have been identified and new communications tools highlighted.

A driving force behind the revised Communications Strategy is SCAG's Compass growth vision initiative that integrates land-use strategies with transportation investments. Compass calls for a change in 2% of our region's land mass to accommodate projected growth while maintaining our desired quality of life as well as encourages us to "plan without boundaries" and consider the regional implications of local decisions.

New communications tools include enhanced e-mail communications, a new comprehensive Regional Council Handbook, updated policy fact sheets, a member benefits brochure, a guide to SCAG media reference book, an information services brochure and development of new presentations and brochures for outreach opportunities.

FISCAL IMPACT:

Funding is available in SCAG's 2004-2005 Overall Work Program, 05-090 Public Information and Involvement. 

SCAG 2004-05 COMMUNICATIONS STRATEGY

As adopted by the Regional Council on November 7, 2002
(REVISED MAY, 2004)

I. COMMUNICATIONS GOALS

- **Establish and effectively communicate the importance of regional governance** and of employing regional solutions to Southern California's many policy challenges.
- **Improve communications with member local governments** and other key stakeholder audiences.
- **Enhance SCAG's profile with the news media and others who influence and shape policies that affect the Southern California region through proper branding or positioning and effective public relations, government affairs, community outreach, and member relations programs and activities.** This requires identifying major critical issues and benefits and related talking points for each to create a common message and consistent points.
- **Implement an integrated communications program highlighting programmatic elements and policy solutions associated with Destination 2030, the ongoing Compass program and other major SCAG initiatives in a manner which will resonate with diverse elected, business, community and other stakeholder audiences.** This integrated approach will utilize (1) effective media relations; (2) outreach to local governments, community organizations, environmental justice groups, business organizations, labor organizations, faith based organizations, environmental groups, academic groups, civic groups, Native American Tribal Councils, and minority organizations; (3) brochures, presentations, web site enhancements and other materials; and (4) other communications activities.
- **Reinforce SCAG's brand and image as the forum for regional consensus-building and problem solving through the development and promotion of innovative products, services and initiatives.**

II. TARGET AUDIENCES

- **Members/partners:** Regional Council members, policy committee members, state and regional agencies (CalTrans, BT&H, etc.), boards of supervisors, city councils, county transportation commissions, subregions, Native American Tribal Councils, and other elected officials and staff from member jurisdictions and planning partners.

- **Stakeholder Organizations:** Business, environmental, academic, labor, ethnic, faith-based, community, neighborhood councils, environmental justice and other stakeholder organizations throughout Southern California.
- **Legislators:** State legislators, members of Congress and key federal and state legislative staff.
- **Trade Associations/Affiliate Organizations:** League of California Cities (state org. and local subdivisions), CSAC, AMPO, NARC, CALCOG and other affiliate organizations.
- **Media:** News media outlets throughout the six-county region, including Sacramento and Washington, D.C. bureaus and national media outlets.
- **Public:** Southern California region.

III. **** Key Messages**

The overall communications program will seek to communicate variations of a series of core messages regarding SCAG, its overall mission, and the objectives of its specific initiatives. Those core messages include:

- A. SCAG is the only forum where local decision-makers come together to resolve regional challenges and formulate common solutions to the various planning and policy issues facing the six-county, 187-city Southern California region.
- B. As pointed out by SCAG's **State of the Region Report**, Southern California faces a number of transportation, air quality, housing, growth, resources management, and other regional challenges that transcend city and county lines.
- C. SCAG brings together city and county elected officials, county transportation commissions, subregional organizations, and other critical audiences to consider diverse perspectives and work toward common solutions.
- D. SCAG's **Southern California Compass** lays out a new vision for how Southern California can grow more effectively and efficiently while maintaining our desired quality of life. If we work together to change the way we plan for just two percent of our region's land mass, we can make tremendous strides in planning for a better tomorrow.
- E. **Destination 2030**, SCAG's 2004 Regional Transportation Plan, and the Compass initiative have demonstrated that the level of growth that will occur in our region over the coming decades requires that our local decision-makers start working together to resolve our regional challenges. Collectively, Southern California must do more to "plan without boundaries" and consider the regional implications of local decisions.

IV. IMPLEMENTING THE COMMUNICATIONS STRATEGY

A. *Regional Council, Policy Committee and Subregional Communications*

SCAG's elected leadership must have a comprehensive understanding and endorse the agency's efforts to foster regional collaboration. In that regard, the most important audience with whom SCAG must communicate is the Regional Council. SCAG also must communicate with committee and task force members, subregional coordinators and Native American Tribal Councils.

By providing members with comprehensive information and training about SCAG's regional issues, priorities and goals, they will be better equipped to communicate the value of SCAG and its programs and planning efforts to their elected colleagues, constituents, state and federal officials and agencies, and other stakeholder audiences.

SCAG must analyze the many ways that Regional Council and committee members are communicated with, propose improvements to those methods, and develop new methods to keep members informed.

The primary goal of the communications strategy is to enhance communications with the Regional Council. The strategy will evolve as new approaches and techniques are identified and refined. Communications techniques will include:

- Individual board member briefings
- One-on-one and group meetings to hear concerns and suggestions to improve relations, outreach and operations.
- Regional Council, committee agenda mailings
- Letters, Memos and other member correspondence
- **"e-Vision" electronic newsletter
- **Regional Council Manual
- "GovAffairs" E-Newsletter
- Executive Director's Report
- Policy issue briefings
- Regional Council member media/*presentation* training
- Regional Policy Fact Sheets *and brochures*
- SCAG events and meetings
- Legislative outreach
- Materials preparation and update
- New Member orientation process
- **Member benefits brochure
- **Information services brochure
- **Southern California "Fast Facts" pocket guide

Subregional and member policy briefings

One of the key elements of the communications strategy will be a comprehensive informational briefing program. Another will be creating opportunities for subregional members to express views and improvements to leadership about SCAG's outreach, operations, communications and other areas of concern to subregional members.

SCAG will develop and implement an outreach effort to engage Regional Council members and help keep their jurisdictions regularly informed on various topics, including SCAG operations, pending state and federal legislation, regional policy and planning issues, and other matters of concern to SCAG.

SCAG will develop a program and schedule in which either the executive director or deputy director accompanied by appropriate staff will conduct regular informational briefings and updates for each subregion.

Regional Council members will augment the speakers bureau program by serving as agency spokespersons at subregional issue briefings and to various community and business organizations.

Briefing sessions will be conducted as part of scheduled COG board or policy committee meetings. For subregions that do not have organized COGs, the SCAG briefing program will consist of briefings with Regional Council members and other local elected officials from the region.

Deliverable goal: *SCAG will strive to schedule and execute at least one issue briefing per subregion each year. It will also arrange (1) opportunities for subregional members to express their views and improvements to leadership about SCAG's outreach, operations, communications and other areas of concern to subregional members; and (2) briefing sessions for boards of supervisors, city councils, and state and regional agencies in the SCAG region.*

Enhanced e-mail communications

SCAG will place a greater emphasis on e-mail to communicate expeditiously with Regional Council members.

SCAG is using e-mail to:

- Disseminate the monthly "e-Vision" electronic newsletter
- Disseminate the *GovAffairs* legislative newsletter.
- Inform the Executive Committee and Communications Task Force of developments involving urgent regional governance issues.
- Transmit agendas for upcoming meetings of the Communications Task Force.

SCAG also will utilize e-mail communications for such items as:

- Legislative alerts and updates
- Conference "Save the Dates"
- Personnel changes
- Informational updates
- Media clip distribution (limited)

SCAG is also undertaking an effort to enhance e-mail communications for other key audiences. ***Existing internal email distribution lists will be reviewed and expanded over time to include current contact information for:*

- Policy committee members
- Subregional coordinators
- County Transportation Commissions
- Non-Regional Council city council members and county supervisors
- Other elected and stakeholder audiences.

SCAG will employ a tiered approach to e-mail communications. Under this approach, certain communications will be sent to focused audiences such as the Executive Committee, while others would be disseminated to the entire Regional Council.

For legal reasons, SCAG will continue to disseminate certain types of “official” communications by traditional mail.

Deliverable goal: *SCAG will: (1) ensure that Regional Council communications are delivered on time by establishing a protocol for the regular dissemination of certain documents by e-mail; and (2) updating and expanding existing e-mail distribution lists for the Regional Council, policy committees, subregional coordinators and other key stakeholder audiences.*

Regional Council *media/presentation training*

SCAG will provide Regional Council members with an opportunity to attend a half-day media workshop. Although similar to the previous sessions, it will provide more in-depth, one-on-one media and message training to equip members with effective media interview techniques. *Members will be provided with pre-drafted presentations and taking points, and they will receive a SCAG media/message booklet that includes the information described above and media “dos and don’ts.”*

Deliverable goal: *SCAG will prepare and execute at least one half-day media and message training sessions each year for members of the Regional Council, and when space is available, elected officials from member cities and counties.*

*****Regional Council Manual***

A new comprehensive Regional Council handbook will be developed and distributed to all Regional Council members. It will include an assortment of background information about the agency’s mission; MPO responsibilities, agency decision-making process; Regional Council “constituent” communications; committee/task force structure; staff organization, responsibilities and contact information; Regional Council districts; by-laws; member bios; subregions. The handbook will also incorporate some of the information currently included in the “Rookie RCers” Handbook and will replace it.

Regional Policy Fact Sheets

Because it is important that members are familiar with issues, SCAG prepared and provided Regional Council members with a series of regional policy fact sheets. Each fact sheet briefly describes major programs and policy issues facing the region, including:

- Regional airport planning
- Meeting regional housing needs

- The relationship between traffic congestion and air quality
- The importance of goods movement
- The Regional Transportation Plan as a blueprint for Southern California's transportation future
- The benefits of a high-speed Maglev transportation system for Southern California
- The objectives and anticipated outcomes of the Growth Visioning For Sustaining A Livable Southern California initiative

The fact sheets will now be updated to reflect current Board policies and will continue to serve as "talking points" for Regional Council members and as brochure inserts or as stand-alone materials for use in various outreach capacities.

Deliverable goal: SCAG will update and redistribute a series of at least 10 policy and program fact sheets for the members of the Regional Council.

New Member Orientation

It is important that new members of the Regional Council have a good understanding of the SCAG organization, operation, initiatives and challenges.

Deliverable goal: SCAG will review and revise as appropriate the materials and techniques and procedures it uses to orient new members of the Regional Council.

B. Communicating with member jurisdictions and stakeholder organizations

Communications tools

In addition to the fact sheets noted above, a series of other materials will be prepared to help SCAG Regional Council members and staff effectively communicate with political, business, community and other stakeholder audiences. On a global level, the "2 Percent Strategy" Growth Vision for the region will serve as the foundation for the outreach effort, with **Destination 2030** and other specific SCAG planning initiatives coming under that umbrella. **Destination 2030** will be presented within the context of individual project elements (Maglev, logistics, aviation, goods movement, housing, growth visioning, etc.) in a manner that will better resonate with diverse elected, community, business media and other stakeholder audiences. All stakeholder communications – releases, presentations, materials, web site enhancements – will be oriented around this approach.

****Outreach Program:** Via the Communications Task Force, Regional Council members will be encouraged to conduct at least one presentation within their district. Staff will conduct presentations in areas and/or with audiences that supplement RC member efforts.

Deliverable goal: At minimum, at least one community and one elected presentation will be scheduled in each subregion. A goal of scheduling and

implementing one presentation in each Regional Council district will be established.

****Regional policy fact sheets and brochures**

SCAG has already prepared a series of regional policy fact sheets. Because it is important that members are familiar with issues, SCAG will prepare and provide Regional Council members with a series of new brochures to augment the fact sheets with stakeholder audiences. The brochures will briefly describe major programs and policy issues identified in **Destination 2030**, as well as an overview of the plan and its importance to the region. Brochure topics could include.

- **Destination 2030: Developing a Regional Blueprint**
- **Logistics, Goods Movement and the Southern California Economy**
- **The Nexus of Land Use and Transportation Planning**
- **Financing Southern California's Transportation Priorities**

Deliverable goal: SCAG will develop a series of program-specific brochures for use in member communications and other outreach opportunities

****Presentation Development**

A series of presentations will be developed for use in briefings to member jurisdictions as well as other outreach forums. Presentation topics will coincide with fact sheet and brochure development (Aviation, Maglev, Transportation Funding, Logistics, Compass, Housing, etc).

Deliverable goal: Develop a series of new presentations for outreach opportunities which coincide with policy fact sheet and brochure development.

****“e-Vision” Newsletter**

e-Vision will replace the current “hard copy” Vision newsletter and will be disseminated on a monthly basis to provide members initially to Regional Council members and eventually to other key audiences. Regional Council Action Reports will be incorporated into “e-Vision.” Each May, a special “year-end” e-Vision will be developed to highlight the major accomplishments of the previous leadership term

Deliverable goal: Develop and distribute a monthly e-mail newsletter to Regional Council members and other stakeholder audiences.

****Member Benefits Brochure**

A brochure will be developed to detail the various benefits associated with becoming or remaining a member of SCAG. The brochure will be both a communications tool to retain existing members as well as a core recruitment tool for potential new members.

Deliverable goal: Develop a brochure that details the various benefits derived from being a dues-paying member of SCAG.

*****Information Services Brochure***

A brochure detailing SCAG's various data, mapping and other information services will be developed and distributed to members and other interested jurisdictions.

Deliverable goal: Develop a brochure that provides an overview of the various information services made available by SCAG.

*****Southern California "Fast Facts" Pocket Guide***

A multi-panel, fold-out pocket brochure containing a series of "fast facts" (ie., population, demographics, employment sectors, etc.) about the Southern California will be developed for use by members and stakeholders as a way to provide easy-reference "factoids" about the region.

Deliverable goal: Develop a pocket guide that includes "fast facts" about the Southern California region.

*****Web site improvements***

Enhancements to the SCAG Web site will be undertaken to increase the ease of overall navigation, provide greater focus to member benefits, and create Legislative Affairs & Public Information sections.

Special Events

A goal of SCAG is to increase stakeholder participation in its conferences and special events. To improve program quality, content and concomitant participation, SCAG activities will include:

- Counsel regarding program development and conceptualization.
- Assistance with logistics and event planning support including materials development and event coordination. A special events manual has been developed to serve as the primary logistics and program development tool for individual events.
- Outreach to local elected officials and relevant stakeholder organizations to maximize attendance and participation.
- Pre-event publicity, on-site media relations services and post-event media outreach.

Events planned during the coming fiscal year include:

-
- 2004 Regional Housing Summit – May 2004
- 2004 Regional Economic Forecast Conference – November 2004
- 2004 General Assembly – Spring 2004
- 2004 Regional Council Retreat – Summer 2004
- SCAG/SANDAG Conference (bi-annual)
- SCAG/Kern COG Conference (bi-annual)
- SCAG/Santa Barbara Conference
- Tribal Governments Summit (bi-annual)

Deliverable goal: *In addition to the activities noted earlier, SCAG will conceptualize the programs, provide recommendations regarding potential “noteworthy” speakers or panelists, and develop strategies that maximize participant interest for each event.*

Utilizing Regional Venues

It is important that local leaders, other stakeholder and the news media throughout the region understand and become involved in SCAG's initiatives. Therefore, it is important that SCAG continue to pursue opportunities to “bring SCAG to them” by staging SCAG conferences and meetings in various geographic locations throughout the region.

Deliverable goal: SCAG will make all appropriate efforts to identify venues throughout the six-county region for the staging of SCAG's various conferences (budgetary constraints notwithstanding).

Legislative outreach – Refer to Legislative Program

****Award Entry/Promotion**

SCAG will identify award submission opportunities with organizations like AMPO, NARC, APTA, PRSA, National Assn. Of Government Communicators, and others, and will promote successful entries via materials, the web site, and the news media. Budgetary and staff resources issues will be considered as award opportunities are identified.

C. Communicating with the news media

The goals of SCAG's media outreach program are:

- Promoting the importance of regional solutions to the planning challenges facing Southern California.
- Increasing the visibility of SCAG's policy experts, resources and initiatives.
- Developing customized messages that emphasize both the regional nature of various policy issues as well as the local impact of such issues.
- Fostering a uniform global SCAG message of regional cooperation and problem solving that would be disseminated to media and opinion leaders.

Traditional communications with the news media

SCAG uses a number of methods to communicate with the print and electronic news media including news releases, advisories, and news conferences publicizing SCAG's planning initiatives, Regional Council actions, local and regional outreach efforts, legislative priorities and other key SCAG actions. Additional effort is required to communicate with weekly print media with special community focus.

Deliverable goal: *SCAG will work with the Communications Task Force and individual Regional Council members to identify the specific issues, initiatives and activities that should receive the attention of the news media. SCAG will use telephone, e-mail, and*

faxed messages to increase and enhance positive coverage by the news media of SCAG events and meetings. It will also target weekly papers with special community focus, such as: California Black Publishers Association; West-side Story; Precinct Reporter, LA Watts Times, Compton Bulletin, Tri-County Ventura News, The Eastern Group, Hispanic News, Inland Empire Community News (El Chicano, Rialto Record and Colton Courier) and the Black Voice.

Editorial board meetings

Meetings with the editorial boards of Southern California newspapers provide an opportunity to relate the importance of regional solutions to Southern California's many planning and policy challenges including Growth Visioning, regional aviation planning, and meeting future housing needs.

SCAG activities related to the editorial board meetings will include: (1) preparing "talking points;" (2) arranging participation of Regional Council members residing in the media markets; and (3) recommending media outlets to target for the editorial board meetings. Examples of editorial related media include:

- *Los Angeles Times* (Main and Orange County Editions)
- *Los Angeles Daily News*
- *Orange County Register*
- *Riverside Press Enterprise*
- *San Bernardino Sun*
- *Inland Valley Daily Bulletin*
- *Ventura County Star*
- *Imperial Valley Press*
- *San Gabriel Valley Tribune*
- *South Bay Daily Breeze*
- *La Opinion*
- *Los Angeles Sentinel*
- *Sing Tao News*
- *KNX-AM*

Deliverable goal: *SCAG will schedule, at minimum, six separate editorial board meetings with key print and editorial media organizations that cover the SCAG region. Issues, coverage areas, and the editorial posture of the media outlet will determine the entities with which the meetings will be held.*

Spokespersons for the news media

SCAG Regional Council members must be able to articulate to the news media the transportation, air quality, housing and other regional policy issues facing Southern California. SCAG will provide Regional Council members with a series of key messages regarding the importance of SCAG's ongoing efforts to seek regional solutions to Southern California's policy challenges. It will also prepare message points on issues relating to aviation, surface transportation, growth visioning, and housing. Certain primary spokespersons will be initially identified and used.

Deliverable goal: *SCAG will identify and provide training to a minimum of 10 Regional Council members to serve as effective agency spokespersons.*

"Guide to SCAG" Media Reference Book

A variation of the Regional Council Handbook will be developed and distributed to news media and other interested stakeholders as a reference guide to SCAG. The "Guide to SCAG" will include background information on SCAG's mission, board members, decision-making process, and areas of policy expertise.

Interviews and talk show opportunities with the electronic news media

It is important that SCAG Regional Council members have opportunities to describe agency operations, policies and initiatives with the electronic news media. Therefore, SCAG will engage in an aggressive pursuit of interview and coverage opportunities for SCAG spokespeople with television, and radio outlets throughout the region. Programs to be targeted include:

- "Life and Times" (KCET-TV)
- "Week In Review" (Adelphia Communications)
- "Eye on LA" (KABC-TV)
- "Midday Sunday" (KNBC-TV)
- "Pacesetters" (KTLA-TV)
- "Real Orange" (KOCE-TV)
- "Which Way LA" (KCRW-FM)
- "Airtalk" (KPCC-FM)
- "The Michael Jackson Show" (KRLA-AM)
- "Community Bulletin" (KWRM-AM)
- "Community Forum" (KUOR-FM)
- "Community Spotlight" (KGGL-FM)
- "City Scope" (KOST-FM)
- "LA Speaks Out" (KJLH-FM)

*****Although not an exclusive list, media outreach pitches will be crafted to coincide with RTP programmatic elements and other presentation topics, including:***

- *Transportation Funding/State Budget Crisis – May - August*
- *Release of the Growth Vision - June*
- *RTIP Release/Approval – July - August*
- *RTP Plan Amendment – Late Summer*
- *Air Quality Conformity - Ongoing*
- *Maglev Implementation - Ongoing*
- *Goods Movement Improvement - Ongoing*
- *Regional Airport System Development - Ongoing*
- *Land Use/Transportation Linkage (Policy Dialogues) - Ongoing*
- *Housing Element Reform – (May summit and ongoing)*

*****Government Affairs staff will provide Directors, on a regular basis, with ideas and suggestions regarding potential media angles for upcoming decisions, milestones, and initiatives.***

Deliverable goal: SCAG will aggressively pursue and schedule, at minimum, ten radio and/or television interviews for Regional Council members on various public affairs shows broadcast through the Southern California region. SCAG will also schedule a series of informational briefings with news assignment editors and producers to increase awareness of SCAG and improve coverage opportunities for both public affairs and news broadcasts.

D. Outreach to Community and Environmental Justice (EJ) Audiences

One of the best ways to communicate the role of SCAG is through a series of meetings and presentations to business groups, civic organizations, environmental justice groups, minority and ethnic organizations, labor organizations and local government entities. SCAG's Compliance Procedure for Environmental Justice in the Transportation Planning Process generally describes the agency's environmental justice policy, as well as related public outreach and plan analysis.

Deliverable goal: SCAG will assess the general and EJ outreach efforts conducted for Destination 2030, identify new audiences for ongoing outreach purposes and expand the current EJ database. SCAG will develop a schedule and presentation content for a minimum of 12 presentations each year by members and staff leadership to business groups, civic organizations, environmental justice groups, organizations that represent minorities, labor organizations, faith-based organizations, environmental groups, academic groups, and local government entities. SCAG will continue to work toward creation of an Environmental Justice Advisory Group.

E. Crisis communications

It is important that SCAG is properly prepared to respond to media and other inquiries during crises. SCAG will provide Regional Council members with counsel, message development and other crisis communications services.

Deliverable goal: SCAG will develop a crisis communications program including: identification of potential crisis communications situations, development of statements for external and internal use, and identifications of primary and secondary spokespersons and processes for transmitting messages. It will also provide training to key staff and council members in crisis communication techniques.

F. Project and Program Communication Integration

It is important that the communication and outreach efforts for all SCAG projects and programs are integrated to be cost-effective and to present a consistent SCAG message.

Deliverable goal: *SCAG will integrate its outreach efforts through:*

- ****Internal Editorial Board**
An internal editorial board will be established to meet on a regular basis for the purpose of developing new ideas for potential media angles, upcoming events and other communications opportunities.
- *A consistent look and message for all SCAG communications;*
- *A general SCAG Power Point presentation that includes specific project or program information as needed;*
- *Updated public feedback forms, both paper and Web-based;*
- *An Internet interface to encourage public education and feedback on the related SCAG planning efforts;*
- *Shared contact databases;*
- *Environmental Justice (EJ) Advisory Groups to ensure opportunities for participation by community and EJ groups; and*
- *A central log of outreach efforts to document activities and ensure broadest outreach with overlapping efforts.*

Don Rhodes
Manager of Government and Public Affairs
Southern California Association of Governments
(213) 236-1840

Comm Strategy – Rev 6/25/04
Doc# 89833

000181

MEMO

DATE: July 14, 2004

TO: Administration Committee and Regional Council

FROM: Heather Copp, Chief Financial Officer
(213) 236-1804, copp@scag.ca.gov

RE: Monthly Financial Results for May 2004

Information Only

Summary: Monthly financial results for May 2004

Background: This report contains financial data related to SCAG's cash flow, as well as budget and expense data for the eleven months ended May 2004.

Cash Flow

During May 2004, the Association received Line of Credit (LOC) advances of \$2,601,500 compared to \$2,319,000 in the prior year, an increase of \$282,500. On a year to date basis, total LOC advances have decreased by 18% or \$4,013,500 compared to the prior year. At May 31, 2004, the LOC liability was \$2,601,500 compared to \$2,319,000 in the prior year, an increase of \$282,500.

Attachment 1, "Cash Receipts & Disbursements", graphically illustrates the monthly results of cash receipts and disbursements. During May 2004 there were \$3.6 million in receipts and \$2.9 million in disbursements; compared to \$6.5 million and \$ 6.4 million, respectively in the prior year. On a year to date basis, there was \$44.4 million in receipts and \$43.8 million in disbursements. This compares to \$53.7 million in receipts and \$53.4 million in disbursements in the prior year. Reduced cash receipts are primarily attributable to less utilization of the LOC, and cash disbursements are lower due to a reduction in overall operating cost.

Attachment 2, "Unrestricted Cash Status Comparison", illustrates the amount of unrestricted cash that is available to support the Association's day-to-day operations. The unrestricted cash balance at May 31, 2004 was about \$ 1.9 million. This graph illustrates the unrestricted cash status of the last 12 months and the prior 12 months for comparison. The balance fluctuates based on the timing of when cash is received and payments made.

Attachment 3, "Cash Flow Summary", shows the receipts and disbursements during the month of May and their impact on working capital. The report also compares the current month to the same month in the prior year and the current year-to-date period to the same period last year, with variance amounts and the percentage variations.

Budget and Expenses

Also attached is the SCAG Agency Wide budget as well as the General Fund Budget. Both budgets include Budget Amendment 1 changes. The Agency Wide budget includes the General Fund.

The budgets, year-to-date expenses as of May 31, 2004, the remaining budget, and the percent of budget used are reported. They also present information about procurement and actual contract



MEMO

commitments against the line item budgets. The Agency Wide report is all-inclusive, and combines the OWP, the General Fund, fringe benefits, indirect costs, and all other projects.

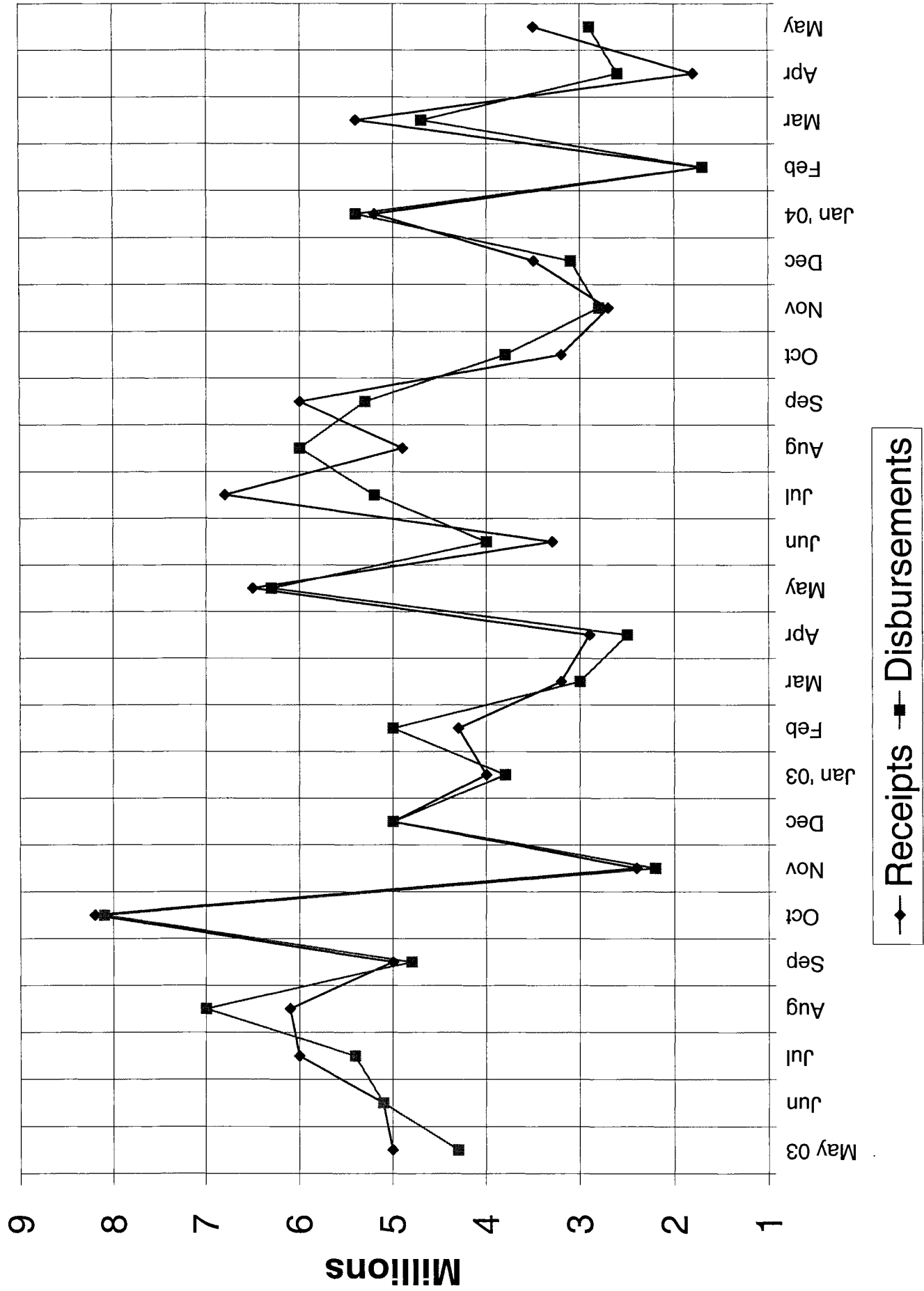
The total amended Agency Wide budget is \$37.3 million and we have expended about 56% or \$20.8 million. The major reason for the under budget status is due to consulting and subregional costs which are budgeted at \$16.1 million versus actual expenses of \$4.0 million on a year to date basis. These costs are about \$10.7 million less than expected. The outlook for the rest of the year is that consultant expenses will continue to be significantly under budget.

SCAG's General Fund expenses are running at 55% of budget. The total budget is \$1.1 million and actual expenses are \$0.6 million. This is a favorable variance of approx. \$0.41 million in the eleven month period ending May 2004. The variance is primarily attributable to lower legal expenses, reduced interest cost for the LOC, and the elimination of the Caltrans Rapid Pay fees.

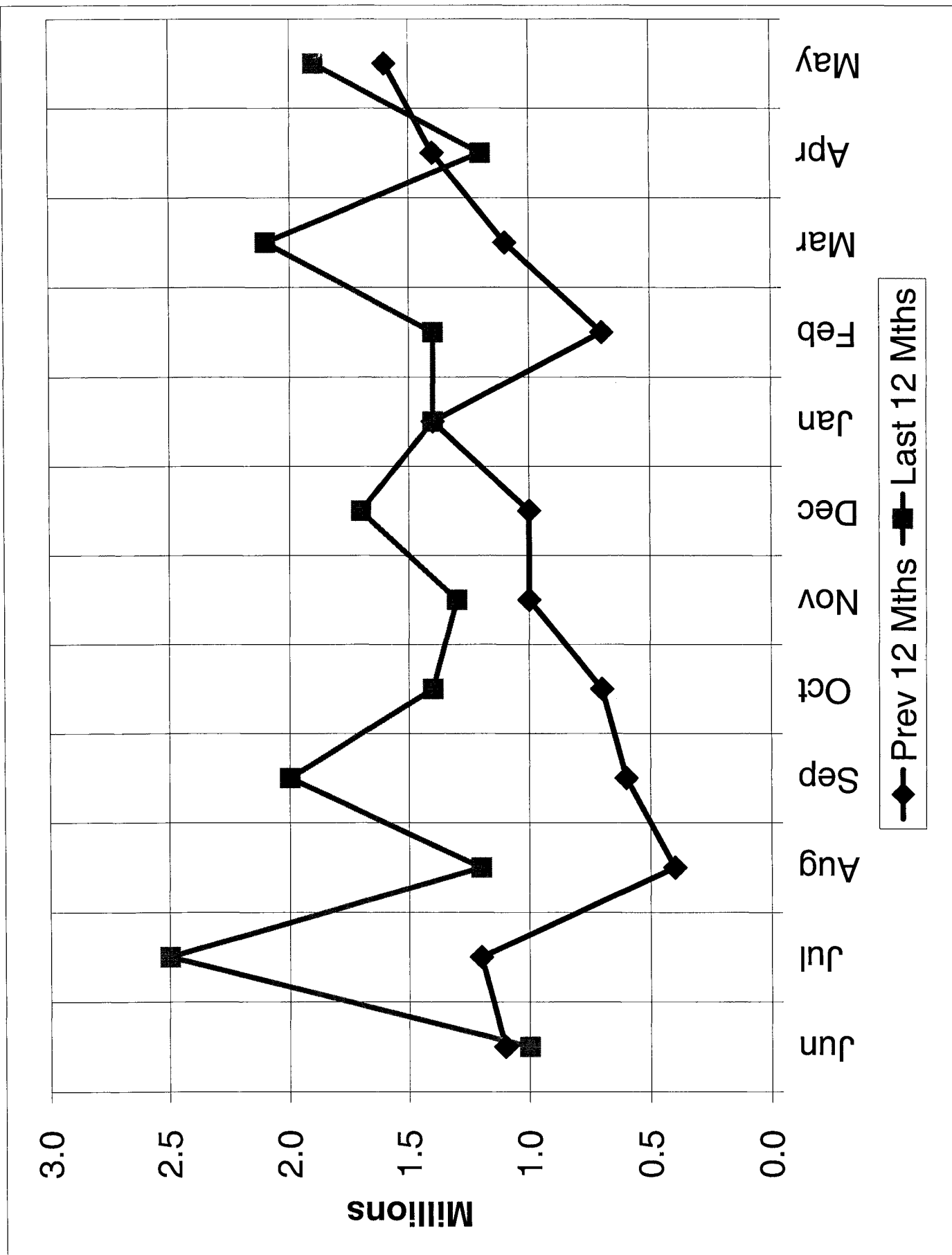
PC Docs 101215

Cash Receipts and Disbursements - Last 24 Months

Attachment 1



Unrestricted Cash Status Comparison



Attachment 3

Comparative Cash Flow Summary
FY04 vs. FY03
Month of May and Year to Date

Categories	May 2004	May 2003	Variance \$	Variance %	July 1, 2003 To Date	July 1, 2002 To Date	Variance \$	Variance %
Working Capital Beginning of Period:	\$ 1,238,632	\$ 1,475,079	\$ (236,447)	-16%	\$ 1,218,032	\$ 1,202,431	\$ 15,601	1%
Receipts:			-					
Grants	961,099	4,030,187	(3,069,088)	-76%	23,536,848	28,167,998	(4,631,150)	-16%
TDA	-	-	-	0%	999,800	1,000,000	(200)	0%
Membership Dues	529	147,585	(147,056)	-100%	976,136	1,095,640	(119,504)	-11%
LOC Draws	2,601,500	2,319,000	282,500	12%	18,848,000	22,861,500	(4,013,500)	-18%
Miscellaneous	2,638	11,694	(9,056)	-77%	123,057	601,574	(478,517)	0%
	-							
Total Receipts	3,565,766	6,508,466	(2,942,700)	-45%	44,483,841	53,726,712	(9,242,871)	-17%
Disbursements:								
Total Disbursements	2,102,584	2,722,289	(619,705)	-23%	24,682,478	30,891,680	(6,209,202)	-20%
LOC Payments	822,023	3,687,170	(2,865,147)	-78%	19,139,604	22,463,377	(3,323,774)	-15%
	-							
Total Disbursements	2,924,607	6,409,459	(3,484,852)	-54%	43,822,082	53,355,057	(9,532,975)	-18%
Working Capital End of Period:								
	\$ 1,879,791	\$ 1,574,086	\$ 305,705	19%	\$ 1,879,791	\$ 1,574,086	\$ 305,705	19%

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**Southern California Association of Governments
Agency Wide Budget vs. Expenditures and Commitments**

	Period: July - May	Budget	May	YTD to May	May Balance	Pct	Commitments	YTD + Comm	Balance	Pct
9001 ALL STAFF		9,029,962	1,013,613	7,966,143	1,063,819	88%	-	7,966,143	1,063,819	88%
54300 SCAG CONSULTANT		13,958,173	593,895	3,341,624	10,616,549	24%	4,485,450	7,827,074	6,131,099	56%
54330 SUBREGIONAL CONS		632,535	1,631	183,231	449,304	29%	300,718	483,949	148,586	77%
54340 LEGAL		400,000	53,859	192,567	207,433	48%	-	192,567	207,433	48%
54350 PROFESSIONAL SVC		803,225	90,854	670,894	132,331	84%	134,433	805,327	(2,102)	100%
54400 SUBREGIONAL STAFF		1,488,118	116,864	496,308	991,810	33%	730,068	1,226,376	261,742	82%
55200 INTERNET ACCESS FEE		6,000	299	1,726	4,274	29%	449	2,176	3,825	36%
55210 SOFTWARE SUPPORT		139,000	11,239	114,395	24,605	82%	2,593	116,989	22,011	84%
55220 HARDWARE SUPPORT		42,000	1,554	43,614	(1,614)	104%	6,222	49,836	(7,836)	119%
55260 CSC SYSTEM UPGRADE		-	-	1,909	(1,909)	0%	-	1,909	(1,909)	0%
55270 CSC SOFTWARE PURCH		60,000	6,211	31,008	28,992	52%	5,632	36,639	23,361	61%
55280 3RD PARTY CONTRIBUTN		2,966,068	-	1,384,372	1,581,696	47%	1,582,267	2,966,639	(571)	100%
55400 OFFICE RENT 818-OFFI		1,300,000	111,390	1,235,444	64,556	95%	3,245	1,238,689	61,311	95%
55410 OFFICE RENT SATELLIT		36,000	2,939	31,873	4,127	89%	-	31,873	4,127	89%
55420 EQUIPMENT LEASES		340,000	26,268	298,884	41,116	88%	10,739	309,624	30,376	91%
55430 EQUIP REPAIR-MAINT		24,000	1,760	16,428	7,572	68%	1,643	18,071	5,929	75%
55440 INSURANCE		230,000	2,646	241,872	(11,872)	105%	-	241,872	(11,872)	105%
55441 PAYROLL PROC - ADP		23,000	1,623	25,053	(2,053)	109%	-	25,053	(2,053)	109%
55510 OFFICE SUPPLIES		90,000	15,928	94,898	(4,898)	105%	36,378	131,276	(41,276)	146%
55530 TELEPHONE		80,000	2,600	71,440	8,560	89%	2,023	73,462	6,538	92%
55540 POSTAGE		80,000	18,621	65,106	14,894	81%	1	65,107	14,893	81%
55600 SCAG MEMBERSHIPS		60,000	-	73,678	(13,678)	123%	-	73,678	(13,678)	123%
55610 PROF MEMBERSHIPS		275	-	1,285	(1,010)	467%	-	1,285	(1,010)	467%
55620 RESRCE MATER/SUBSC		174,336	5,960	62,886	111,450	36%	810	63,696	110,640	37%
55700 DEP - FURN & FIXTURE		31,623	2,608	29,558	2,065	93%	-	29,558	2,065	93%
55710 DEPRECIATION - COMP		359,716	22,889	296,579	63,137	82%	-	296,579	63,137	82%
55730 CAPITAL OUTLAY		25,000	-	-	25,000	0%	-	-	25,000	0%
55800 RECRUITMENT NOTICE		20,000	1,537	6,717	13,283	34%	-	6,717	13,283	34%
55810 PUBLIC NOTICES		26,334	35	16,143	10,191	61%	165	16,308	10,026	62%
55820 STAFF TRAINING		46,100	3,454	17,421	28,679	38%	2,250	19,671	26,429	43%
55910 RC/COMMITTEE MEETIN		20,000	965	14,692	5,308	73%	665	15,357	4,643	77%
55920 OTHER MEETING EXPENS		72,140	3,244	36,062	36,078	50%	11,777	47,839	24,302	66%
55930 MISC. OTHER		120,569	(8,159)	15,416	105,153	20%	7,765	23,181	97,388	31%
55940 STIPEND-RC MTG		130,000	8,400	105,940	24,060	81%	-	105,940	24,060	81%
55950 TEMPORARY HELP		241,916	28,448	343,073	(101,157)	142%	3,680	346,753	(104,837)	143%
55970 INTEREST ON BANK LOC		160,000	1,523	55,079	104,921	34%	-	55,079	104,921	34%
55972 RAPID PAY FEES		135,000	75	49,926	85,074	37%	-	49,926	85,074	37%
55980 CASH CONTRIBU PROJ		10,000	(17,252)	28,872	(18,872)	289%	-	28,872	(18,872)	289%
55990 BAD DEBTS EXPENSE		-	-	-	-	0%	-	-	-	0%
56100 PRINTING		224,000	46,404	103,567	120,433	46%	7,897	111,464	112,536	50%
58100 TRAVEL		255,750	13,113	116,131	139,619	45%	-	116,131	139,619	45%

**Southern California Association of Governments
Agency Wide Budget vs. Expenditures and Commitments**

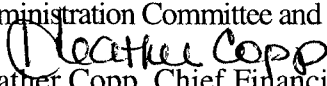
	Period: July - May	Budget	YTD to		May Balance	Pct	Commitments	YTD + Comm	Balance	Pct
			May	May						
58200	TRAVEL-REGISTRATION	34,750	1,880	23,819	10,931	69%	-	23,819	10,931	69%
58500	AMPO BOARD EXPENSE	3,200	-	1,414	1,786	44%	-	1,414	1,786	44%
58600	NARC BOARD EXPENSE	4,500	2,963	2,963	1,537	66%	-	2,963	1,537	66%
58700	RC APPROVED COSTS	82,300	5,679	15,179	67,121	18%	-	15,179	67,121	18%
58999	UNALLOCATED RESERVE	457,126	-	-	457,126	0%	-	-	457,126	0%
60001	VACATION LEAVE	-	(13,003)	96,496	(96,496)	0%	-	96,496	(96,496)	0%
60002	SICK LEAVE	-	-	-	-	0%	-	-	-	0%
60020	SICK LEAVE BUYBACK	-	(654)	(13,421)	13,421	0%	-	(13,421)	13,421	0%
60100	SEVERANCE/VAC REBATE	-	-	66,568	(66,568)	0%	-	66,568	(66,568)	0%
60110	RETIREMENT-PERS	860,000	68,354	873,606	(13,606)	102%	-	873,606	(13,606)	102%
60200	HEALTH INS.	700,000	58,049	637,648	62,352	91%	-	637,648	62,352	91%
60210	DENTAL INS.	92,000	8,424	84,742	7,258	92%	-	84,742	7,258	92%
60220	VISION INS.	30,000	2,348	25,720	4,280	86%	-	25,720	4,280	86%
60225	LIFE INSURANCE	100,000	9,139	92,458	7,542	92%	-	92,458	7,542	92%
60230	MED/DEN REBATE	285,000	23,764	260,075	24,925	91%	-	260,075	24,925	91%
60240	MEDICARE TX EMPLRS	115,000	9,513	101,785	13,215	89%	-	101,785	13,215	89%
60300	TUITION REIMBURSEMENT	10,000	-	60	9,940	1%	-	60	9,940	1%
60310	BUS PASSES	55,665	881	18,048	37,617	32%	-	18,048	37,617	32%
60320	CARPOOL REIMBURSEMENT	11,609	280	3,010	8,599	26%	-	3,010	8,599	26%
60330	BUS PASS-TAXABLE	43,000	4,875	45,409	(2,409)	106%	-	45,409	(2,409)	106%
60400	UNEMP/WORKCOMP IN	500,000	21,157	542,612	(42,612)	109%	-	542,612	(42,612)	109%
60410	MISC. EMP. BENE	-	-	(1)	1	0%	-	(1)	1	0%
60415	SCAG 457 MATCH	65,000	4,487	60,735	4,265	93%	-	60,735	4,265	93%
60450	BENEFITS ADMIN FEES	8,000	234	2,624	5,376	33%	-	2,624	5,376	33%
	Grand totals:	37,297,991	2,395,409	20,823,363	16,474,627	56%	7,336,869	28,160,233	9,137,758	76%

**Southern California Association of Governments
General Fund Budget vs. Expenditures and Commitments**

	Period: July - May	Budget	May	YTD to May	May Balance	Pct	Commitments	YTD + Comm	May Balance	Pct
9001	ALL STAFF	12,661	2,652	9,220	3,441	73%	-	9,220	3,441	73%
9901	FRINGE BENEFIT BRDN	6,478	953	4,285	2,193	66%	-	4,285	2,193	66%
9914	IC BURDEN	20,861	3,930	13,806	7,055	66%	-	13,806	7,055	66%
9916	IC ADJUSTMENT	-	-	915	(915)	0%	-	915	(915)	0%
54340	LEGAL	200,000	102	16,738	183,262	8%	-	16,738	183,262	8%
54350	PROFESSIONAL SVC	280,000	47,949	249,769	30,231	89%	60,985	310,754	(30,754)	111%
55600	SCAG MEMBERSHIPS	-	-	12,985	(12,985)	0%	-	12,985	(12,985)	0%
55730	CAPITAL OUTLAY	25,000	-	-	25,000	0%	-	-	25,000	0%
55910	RC/COMMITTEE MEETIN	20,000	965	14,692	5,308	73%	665	15,357	4,643	77%
55920	OTHER MEETING EXPENS	15,000	3,244	13,331	1,669	89%	5,225	18,556	(3,556)	124%
55930	MISC. OTHER	10,000	(8,379)	10,154	(154)	102%	-	10,154	(154)	102%
55940	STIPEND-RC MTG	130,000	8,400	105,940	24,060	81%	-	105,940	24,060	81%
55970	INTEREST ON BANK LOC	160,000	1,523	55,079	104,921	34%	-	55,079	104,921	34%
55972	RAPID PAY FEES	135,000	75	49,926	85,074	37%	-	49,926	85,074	37%
55980	CASH CONTRIBU PROJ	10,000	(17,252)	28,872	(18,872)	289%	-	28,872	(18,872)	289%
58100	TRAVEL	17,000	(757)	20,325	(3,325)	120%	-	20,325	(3,325)	120%
58200	TRAVEL-REGISTRATION	3,000	345	2,674	326	89%	-	2,674	326	89%
58500	AMPO BOARD EXPENSE	3,200	-	1,414	1,786	44%	-	1,414	1,786	44%
58600	NARC BOARD EXPENSE	4,500	2,963	2,963	1,537	66%	-	2,963	1,537	66%
58700	RC APPROVED COSTS	82,300	5,679	15,179	67,121	18%	-	15,179	67,121	18%
	Grand totals:	1,135,000	52,391	628,268	506,732	55%	66,875	695,143	439,856	61%

000189

MEMO

DATE: July 14, 2004
TO: Administration Committee and Regional Council
FROM: 
Heather Copp, Chief Financial Officer
(213) 236-1804, copp@scag.ca.gov
RE: Preliminary Monthly Financial Results for June 2004

Information Only

Summary: Preliminary Monthly financial results for June 2004

Background: This report contains financial data related to SCAG's cash flow, as well as budget and expense data for the twelve months ended June 2004.

Cash Flow

During June 2004, the Association received Line of Credit (LOC) advances of \$911,500 compared to \$1,701,500 in the prior year, a decrease of \$790,000. On a year to date basis, total LOC advances have decreased by 20% or \$4,803,500 compared to the prior year. At June 30, 2004, the LOC liability was **Zero** compared to \$2,841,500 in the prior year, a decrease of \$2,841,500.

Attachment 1, "Cash Receipts & Disbursements", graphically illustrates the monthly results of cash receipts and disbursements. During June 2004 there were \$4.9 million in receipts and \$5.2 million in disbursements; compared to \$3.3 million and \$ 3.6 million, respectively in the prior year. On a year to date basis, there was \$49.4 million in receipts and \$49.0 million in disbursements. This compares to \$57.0 million in receipts and \$57.0 million in disbursements in the prior year. Reduced cash receipts are primarily attributable to less utilization of the LOC, and cash disbursements are lower due to a reduction in overall operating cost.

Attachment 2, "Unrestricted Cash Status Comparison", illustrates the amount of unrestricted cash that is available to support the Association's day-to-day operations. The unrestricted cash balance at June 30, 2004 was about \$ 1.6 million. This graph illustrates the unrestricted cash status of the last 12 months and the prior 12 months for comparison. The balance fluctuates based on the timing of when cash is received and payments made.

Attachment 3, "Cash Flow Summary", shows the receipts and disbursements during the month of June and their impact on working capital. The report also compares the current month to the same month in the prior year and the current year-to-date period to the same period last year, with variance amounts and the percentage variations.

Budget and Expenses

Also attached is the SCAG Agency Wide budget as well as the General Fund Budget. Both budgets include Budget Amendment 1 changes. The Agency Wide budget includes the General Fund.

The budgets, year-to-date expenses as of June 30, 2004, the remaining budget, and the percent of budget used are reported. They also present information about procurement and actual contract

MEMO

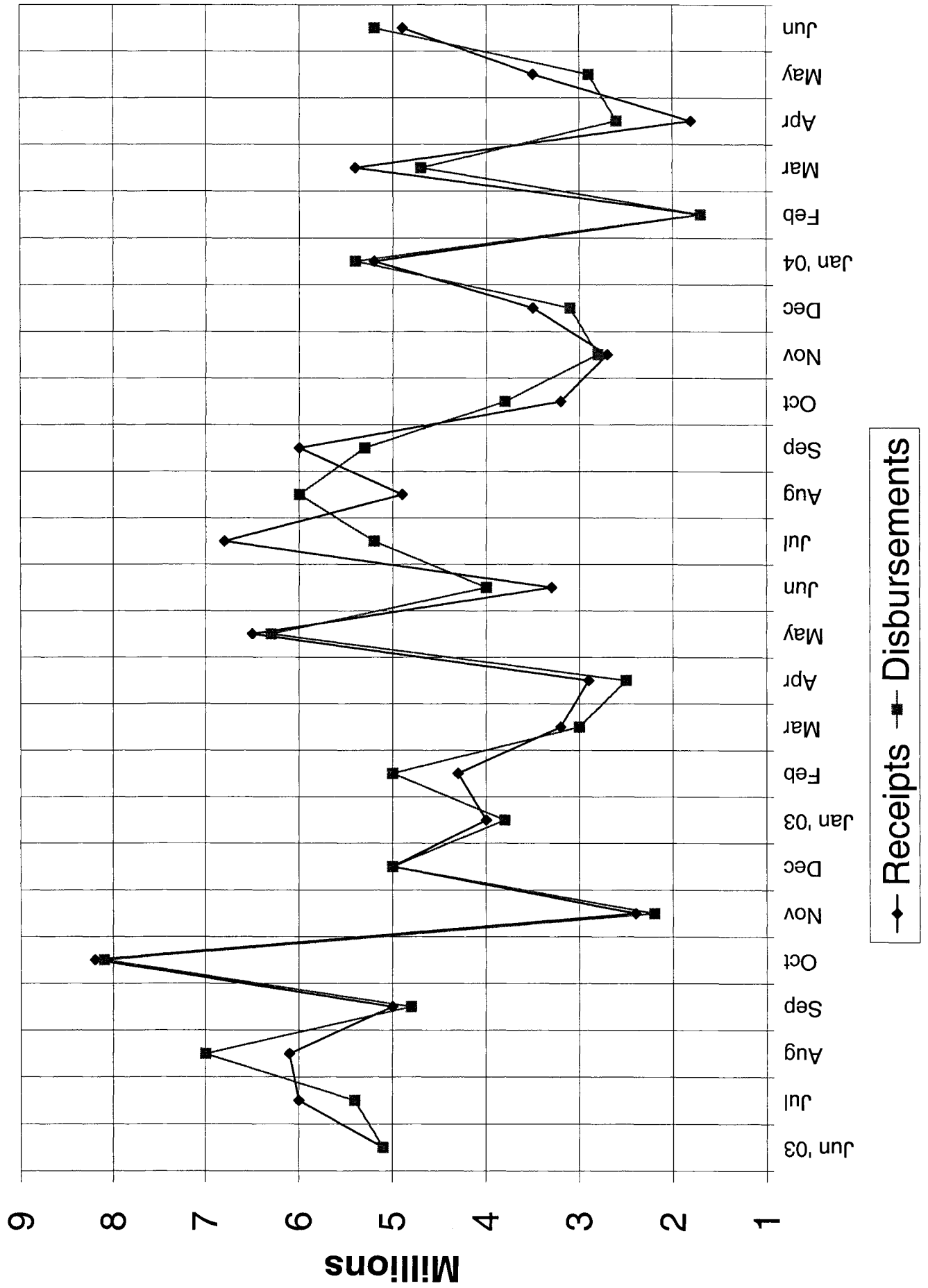
commitments against the line item budgets. The Agency Wide report is all-inclusive, and combines the OWP, the General Fund, fringe benefits, indirect costs, and all other projects.

The total amended Agency Wide budget is \$37.3 million and we have expended about 61% or \$22.8 million. The major reason for the under budget status is due to consulting and subregional costs which are budgeted at \$16.1 million versus actual expenses of \$4.9 million on a year to date basis. These costs are \$11.2 million less than budget, although year end consultant invoices will be recorded through July 31, 2004. The outlook for the rest of the year is that consultant expenses will remain significantly under budget for the year.

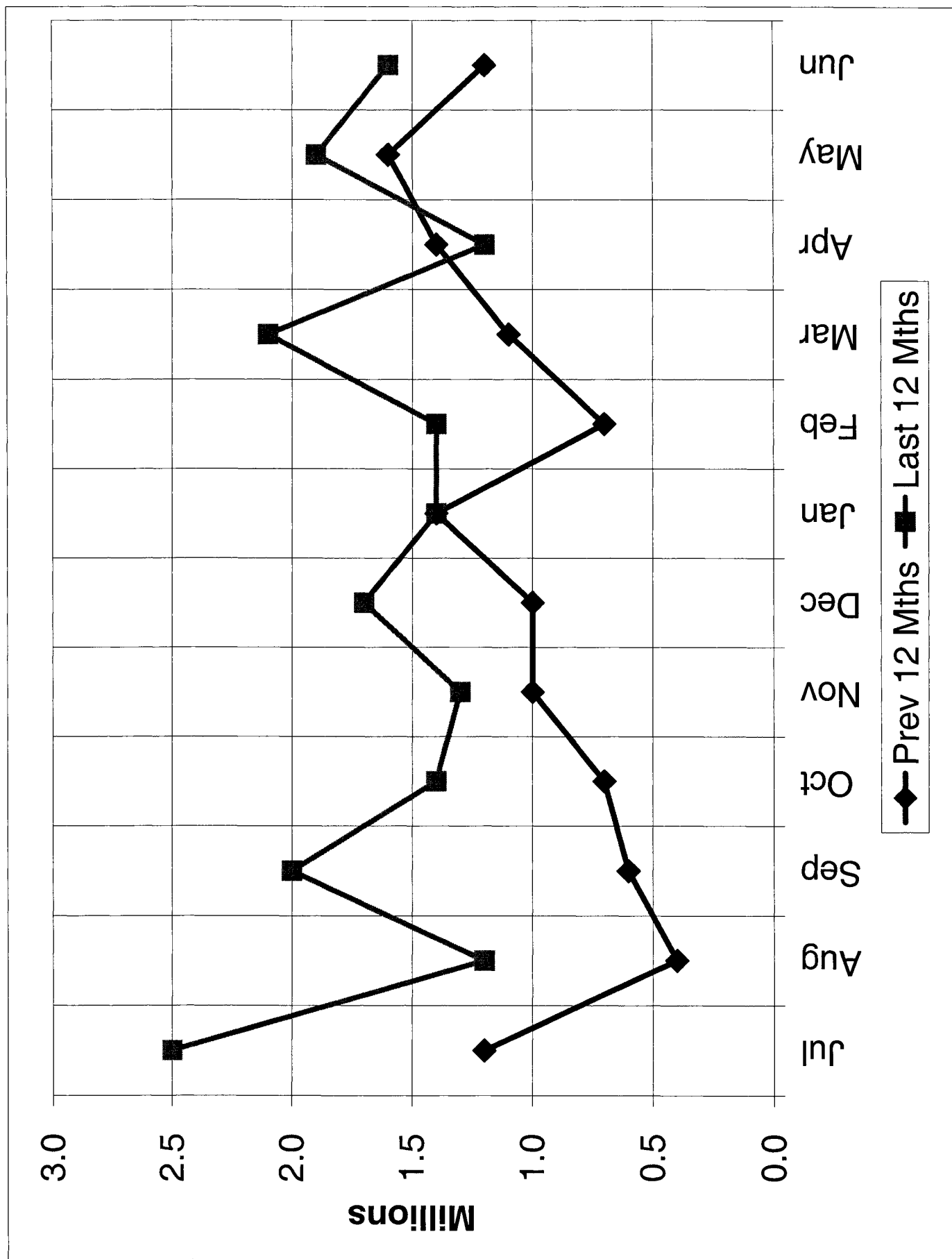
SCAG's General Fund expenses are running at 62% of budget. The total budget is \$1.1 million and actual expenses are \$0.7 million. This is a favorable variance of approx. \$0.42 million in the twelve month period ending June 2004. The variance is primarily attributable to lower legal expenses, reduced interest cost for the LOC, and the elimination of the Caltrans Rapid Pay fees.

PC Docs 101219

Cash Receipts and Disbursements - Last 24 Months



Unrestricted Cash Status Comparison



Attachment 3

Comparative Cash Flow Summary
FY04 vs. FY03
Month of June and Year to Date

Categories	June 2004	June 2003	Variance \$	Variance %	July 1, 2003 To Date	July 1, 2002 To Date	Variance \$	Variance %
Working Capital Beginning of Period:	\$ 1,879,791	\$ 1,574,086	\$ 305,705	19%	\$ 1,218,032	\$ 1,202,431	\$ 15,601	1%
Receipts:			-					
Grants	3,807,489	1,397,035	2,410,454	173%	27,344,336	29,558,379	(2,214,043)	-7%
TDA	-	-	-	0%	999,800	1,000,000	(200)	0%
Membership Dues	189,204	181,134	8,070	4%	1,165,340	1,276,774	(111,434)	-9%
LOC Draws	911,500	1,701,500	(790,000)	-46%	19,759,500	24,563,000	(4,803,500)	-20%
Miscellaneous	4,924	3,899	1,025	26%	127,980	567,994	(440,014)	0%
	-							
Total Receipts	4,913,117	3,283,568	1,629,549	50%	49,396,957	56,966,147	(7,569,190)	-13%
Disbursements:								
Total Disbursements	1,662,146	2,456,399	(794,253)	-32%	26,344,625	33,303,946	(6,959,321)	-21%
LOC Payments	3,521,985	1,183,223	2,338,762	198%	22,661,588	23,646,600	(985,012)	-4%
	-							
Total Disbursements	5,184,131	3,639,622	1,544,509	42%	49,006,213	56,950,546	(7,944,333)	-14%
Working Capital End of Period:								
	\$ 1,608,776	\$ 1,218,032	\$ 390,744	32%	\$ 1,608,776	\$ 1,218,032	\$ 390,744	32%

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**Southern California Association of Governments
Agency Wide Budget vs. Expenditures and Commitments**

	Period: July - June	Budget	June	YTD to June	June Balance	Pct	Commitments	YTD + Comm	Balance	Pct
9001 ALL STAFF		9,031,098	756,504	8,722,646	308,451	97%	-	8,722,646	308,451	88%
54300 SCAG CONSULTANT		13,958,173	461,441	3,803,065	10,155,108	27%	4,017,800	7,820,865	6,137,308	56%
54330 SUBREGIONAL CONS		632,535	99,358	282,589	349,946	45%	118,604	401,193	231,342	77%
54340 LEGAL		400,000	-	192,567	207,433	48%	207,000	399,567	433	48%
54350 PROFESSIONAL SVC		803,225	89,138	760,032	43,193	95%	76,090	836,122	(32,897)	100%
54400 SUBREGIONAL STAFF		1,482,383	290,066	786,374	696,009	53%	675,667	1,462,041	20,342	82%
55200 INTERNET ACCESS FEE		6,000	150	1,876	4,124	31%	299	2,176	3,825	36%
55210 SOFTWARE SUPPORT		139,000	(21,651)	92,744	46,256	67%	2,177	94,922	44,078	84%
55220 HARDWARE SUPPORT		42,000	1,956	45,569	(3,569)	108%	5,037	50,606	(8,606)	119%
55260 CSC SYSTEM UPGRADE		-	-	1,909	(1,909)	0%	-	1,909	(1,909)	0%
55270 CSC SOFTWARE PURCH		60,000	12,088	43,095	16,905	72%	26,359	69,454	(9,454)	61%
55280 3RD PARTY CONTRIBUTN		2,971,803	-	1,384,372	1,587,431	47%	1,533,184	2,917,556	54,247	100%
55400 OFFICE RENT 818-OFFI		1,300,000	(89,765)	1,145,679	154,321	88%	3,190	1,148,869	151,131	95%
55410 OFFICE RENT SATELLIT		36,000	2,939	34,812	1,188	97%	-	34,812	1,188	89%
55420 EQUIPMENT LEASES		340,000	42,514	341,398	(1,398)	100%	729	342,127	(2,127)	91%
55430 EQUIP REPAIR-MAINT		24,000	-	16,428	7,572	68%	1,043	17,471	6,529	75%
55440 INSURANCE		230,000	-	241,872	(11,872)	105%	-	241,872	(11,872)	105%
55441 PAYROLL PROC - ADP		23,000	2,428	27,481	(4,481)	119%	-	27,481	(4,481)	109%
55460 Small Office Purchas		-	4,517	4,517	(4,517)	0%	13,788	18,305	(18,305)	
55510 OFFICE SUPPLIES		90,000	17,247	112,145	(22,145)	125%	23,515	135,660	(45,660)	151%
55530 TELEPHONE		80,000	12,637	84,077	(4,077)	105%	1,070	85,147	(5,147)	106%
55540 POSTAGE		80,000	1,479	66,584	13,416	83%	-	66,584	13,416	83%
55600 SCAG MEMBERSHIPS		60,000	-	73,678	(13,678)	123%	-	73,678	(13,678)	123%
55610 PROF MEMBERSHIPS		275	-	1,285	(1,010)	467%	-	1,285	(1,010)	467%
55620 RESRCE MATER/SUBSC		174,336	12,719	75,605	98,731	43%	4,662	80,267	94,069	46%
55700 DEP - FURN & FIXTURE		31,623	-	29,558	2,065	93%	-	29,558	2,065	93%
55710 DEPRECIATION - COMP		359,716	-	296,579	63,137	82%	-	296,579	63,137	82%
55730 CAPITAL OUTLAY		25,000	-	-	25,000	0%	-	-	25,000	0%
55800 RECRUITMENT NOTICE		20,000	132	6,848	13,152	34%	-	6,848	13,152	34%
55810 PUBLIC NOTICES		26,334	3,662	19,806	6,528	75%	1,109	20,914	5,420	79%
55820 STAFF TRAINING		46,100	7,659	25,081	21,019	54%	-	25,081	21,019	54%
55910 RC/COMMITTEE MEETIN		20,000	2,207	16,899	3,101	84%	2,147	19,047	953	95%
55920 OTHER MEETING EXPENS		74,537	6,318	42,380	32,157	57%	7,760	50,139	24,397	67%
55930 MISC. OTHER		120,569	250	15,666	104,903	13%	345	16,011	104,558	13%
55940 STIPEND-RC MTG		130,000	15,930	121,870	8,130	94%	-	121,870	8,130	94%
55950 TEMPORARY HELP		241,916	18,213	361,287	(119,371)	149%	6,182	367,468	(125,552)	152%
55970 INTEREST ON BANK LOC		160,000	8,985	64,064	95,936	40%	-	64,064	95,936	40%
55972 RAPID PAY FEES		135,000	1,877	51,803	83,197	38%	-	51,803	83,197	38%
55980 CASH CONTRIBU PROJ		10,000	-	28,872	(18,872)	289%	-	28,872	(18,872)	289%
55990 BAD DEBTS EXPENSE		-	-	-	-	0%	-	-	-	0%
56100 PRINTING		224,360	13,580	117,147	107,213	52%	5,397	122,545	101,815	55%

**Southern California Association of Governments
Agency Wide Budget vs. Expenditures and Commitments**

	Period: July - June	Budget	June	YTD to June	June Balance	Pct	Commitments	YTD + Comm	Balance	Pct
58100 TRAVEL		255,950	21,705	137,836	118,114	54%	-	137,836	118,114	54%
58200 TRAVEL-REGISTRATION		34,750	624	24,443	10,307	70%	-	24,443	10,307	70%
58500 AMPO BOARD EXPENSE		3,200	-	1,414	1,786	44%	-	1,414	1,786	44%
58600 NARC BOARD EXPENSE		4,500	-	2,963	1,537	66%	-	2,963	1,537	66%
58700 RC APPROVED COSTS		82,300	-	15,179	67,121	18%	-	15,179	67,121	18%
58999 UNALLOCATED RESERVE		474,716	-	-	474,716	0%	-	-	474,716	0%
60001 VACATION LEAVE		-	(4,275)	92,221	(92,221)	0%	-	92,221	(92,221)	0%
60002 SICK LEAVE		-	-	-	-	0%	-	-	-	0%
60020 SICK LEAVE BUYBACK		-	(1,963)	(15,384)	15,384	0%	-	(15,384)	15,384	0%
60100 SEVERANCE/VAC REBATE		-	-	66,568	(66,568)	0%	-	66,568	(66,568)	0%
60110 RETIREMENT-PERS		860,000	101,597	975,202	(115,202)	113%	-	975,202	(115,202)	113%
60200 HEALTH INS.		700,000	49,277	686,924	13,076	98%	-	686,924	13,076	98%
60210 DENTAL INS.		92,000	8,596	93,338	(1,338)	101%	-	93,338	(1,338)	101%
60220 VISION INS.		30,000	2,228	27,948	2,052	93%	-	27,948	2,052	93%
60225 LIFE INSURANCE		100,000	7,450	99,907	93	100%	-	99,907	93	100%
60230 MED/DEN REBATE		285,000	47,598	307,673	(22,673)	108%	-	307,673	(22,673)	108%
60240 MEDICARE TX EMPLRS		115,000	13,379	115,165	(165)	100%	-	115,165	(165)	100%
60300 TUITION REIMBURSEMENT		10,000	-	60	9,940	1%	-	60	9,940	1%
60310 BUS PASSES		55,665	862	18,910	36,755	34%	-	18,910	36,755	34%
60320 CARPOOL REIMBURSEMENT		11,609	490	3,500	8,109	30%	-	3,500	8,109	30%
60330 BUS PASS-TAXABLE		43,000	6,385	51,793	(8,793)	120%	-	51,793	(8,793)	120%
60400 UNEMP/WORKCOMP IN		500,000	(24,854)	517,758	(17,758)	104%	-	517,758	(17,758)	104%
60410 MISC. EMP. BENE		-	-	(1)	1	0%	-	(1)	1	0%
60415 SCAG 457 MATCH		65,000	4,591	65,327	(327)	101%	-	65,327	(327)	101%
60450 BENEFITS ADMIN FEES		8,000	834	3,458	4,542	43%	-	3,458	4,542	43%
Grand totals:		37,319,673	2,009,100	22,832,463	14,487,210	61%	6,733,155	29,565,618	7,754,055	79%

000196

**Southern California Association of Governments
General Fund Budget vs. Expenditures and Commitments**

	Period: July - June	Budget	June	YTD to June	June Balance	Pct	Commitments	YTD + Comm	June Balance	Pct
9001 ALL STAFF		12,661	-	9,220	3,441	73%	-	9,220	3,441	73%
9901 FRINGE BENEFIT BRDN		6,478	-	4,285	2,193	66%	-	4,285	2,193	66%
9914 IC BURDEN		20,861	-	13,806	7,055	66%	-	13,806	7,055	66%
9916 IC ADJUSTMENT		-	-	915	(915)	0%	-	915	(915)	0%
54340 LEGAL		200,000	-	16,738	183,262	8%	183,000	199,738	262	100%
54350 PROFESSIONAL SVC		280,000	39,990	289,759	(9,759)	103%	20,995	310,754	(30,754)	111%
55600 SCAG MEMBERSHIPS		-	-	12,985	(12,985)	0%	-	12,985	(12,985)	0%
55730 CAPITAL OUTLAY		25,000	-	-	25,000	0%	-	-	25,000	0%
55910 RC/COMMITTEE MEETIN		20,000	2,207	16,899	3,101	84%	2,147	19,047	953	95%
55920 OTHER MEETING EXPENS		15,000	3,858	17,190	(2,190)	115%	1,271	18,461	(3,461)	123%
55930 MISC. OTHER		10,000	-	10,154	(154)	102%	-	10,154	(154)	102%
55940 STIPEND-RC MTG		130,000	15,930	121,870	8,130	94%	-	121,870	8,130	94%
55970 INTEREST ON BANK LOC		160,000	8,985	64,064	95,936	40%	-	64,064	95,936	40%
55972 RAPID PAY FEES		135,000	1,877	51,803	83,197	38%	-	51,803	83,197	38%
55980 CASH CONTRIBU PROJ		10,000	-	28,872	(18,872)	289%	-	28,872	(18,872)	289%
58100 TRAVEL		17,000	7,247	27,572	(10,572)	162%	-	27,572	(10,572)	162%
58200 TRAVEL-REGISTRATION		3,000	-	2,674	326	89%	-	2,674	326	89%
58500 anPO BOARD EXPENSE		3,200	-	1,414	1,786	44%	-	1,414	1,786	44%
58600 NARC BOARD EXPENSE		4,500	-	2,963	1,537	66%	-	2,963	1,537	66%
58700 RC APPROVED COSTS		82,300	-	15,179	67,121	18%	-	15,179	67,121	18%
Grand totals:		1,135,000	80,095	708,363	426,637	62%	207,413	915,777	219,223	81%

000197

MEMO

DATE: August 5, 2004

TO: The Regional Council
The Transportation and Communications Committee (TCC)

FROM: Donald Rhodes, Manager of Government and Public Affairs
Phone: (213) 236-1840 E-Mail: rhodes@scag.ca.gov

SUBJECT: Reauthorization of TEA-21 and Federal Appropriations Update

SUMMARY:

Another two-month extension of TEA-21 is expected prior to the congressional recess on July 23rd. The FY05 Appropriations bill for transportation is expected to be folded into an Omnibus Appropriations Act, as has been done in recent years past. SCAG continues to advocate for a higher rate of return to the states in the reauthorization measure, among other issues, and for the Regional Consensus projects in the appropriations bill.

BACKGROUND:

Following the direction of the Regional Council as expressed in the 2004 Legislative Program and the Southern California Consensus Program for TEA-21, staff has worked to ensure that SCAG related issues are being addressed in the reauthorization of TEA-21 and the federal FY05 Transportation Appropriations bill. This memorandum provides an update to members on both federal measures and SCAG's advocacy efforts on behalf of the region.

Reauthorization of TEA-21

The Transportation Equity Act of the 21st Century (TEA-21) expired September 30, 2003 and has since been extended several times. Its current expiration date is slated for July 30th, a week after the Congress recesses on July 23rd. Most observers believe that the Congress will pass another 60-day, "clean" extension to continue the program until September 30th, the end of the federal fiscal year. An extension would keep open the possibility for a last-minute enactment of the reauthorization bill in September before the congressional and presidential elections. Absent any action in September, Congress may pass yet another short-term extension or may pass a longer-term extension, deferring action until the new Congress takes over next year.

After months of being billions of dollars apart in their respective funding levels with the Senate-passed bill at \$318 billion and the House measure at \$284 billion, it appeared in recent weeks that negotiators were near agreement. While no official offers were made, the House leadership was reported to support a package of \$299 billion in contract authority (including \$10 billion in rescissions from prior unobligated balances) and \$284 billion in guaranteed obligations. At least part of the Senate conferees were said to be prepared to back \$304 billion in contract authority

and \$290 billion in guaranteed obligations. Further conference committee meetings were postponed, however, and no agreement was reached.

Several issues of concern to SCAG remain unresolved as the result of the congressional delay. Among them is the subject of the overall rate of return to the states, referred to as a state's "takedown," and the adoption of the revised ethanol fuel tax. Under TEA-21, states received a takedown of 93%; however, based on the Senate's proposed reauthorization takedown could drop to 83%. In reference to ethanol fuel tax, there was no mention of the tax in TEA-21. However, the Senate and Administration's versions of the bill look to redirect 2.5 cents of ethanol tax that had been diverted to the General Fund, and staff has worked to ensure the adoption of this change beyond the reauthorization using other legislation. As of this writing, no definitive results have been produced.

On a positive note, the Senate has proposed an increase of .5% for metropolitan planning take-down, the amount MPOs receive of a state's apportionment to conduct their mandated metropolitan planning activities. Under TEA-21, MPOs received 1%. The additional funding is critical in light of the creation of 42 new MPOs since the 2000 Census and the expansion of MPO responsibilities.

SCAG continues to press for a resolution in conference committee of the take-down issue and others via its Washington, D.C. representatives and as part of larger coalitions like the Southern California Consensus Program delegation, the Association of Metropolitan Planning Organizations (AMPO), the National Association of Regional Councils (NARC) and Caltrans.

Federal FY05 Appropriations

Every year, Congress appropriates funds through a number of measures referred to as Appropriations bills. As of this writing on July 22nd, the House Subcommittee on Transportation, Treasury and Related Agencies Appropriations has "marked up" or revised its FY05 Appropriations bill. In total, the bill provides more than \$89.9 billion in transportation funding, an increase of \$1 billion over the President's request but \$495 million below the FY04 level. Discretionary spending has been set at \$25.4 billion, \$275 million below the President's request and \$2.9 billion below the FY04 level.

Transit program spending totals \$7.249 billion in the FY05 bill, including \$1 billion for new fixed guideway systems, which is down \$300 million from last year's allocated levels. The highway spending level, currently marked up at \$34.6 billion, is \$800 million more than last year's approved levels and an increase of \$1 billion above the President's FY05 budget request. **The subcommittee elected to only earmark those New Starts rail projects that have Full Funding Grant Agreements (FFGA) or that are expected to sign an FFGA within the next six months.**

Of the projects listed on the Regional Consensus Appropriations Request list, the only project that received an earmark was the Los Angeles County Metropolitan Transportation Authority Eastside Light Rail Transit Project for \$60 million. This is because **no highway projects were earmarked**. It was understood that highway earmarks were to be dealt with at a later time, but

as the July 23rd recess date nears, it appears more likely that Congress will roll the transportation appropriations bill into an Omnibus Appropriations Act, as it has the last two years.

As Congress enters the upcoming congressional election season and as the presidential election approaches, there is reason to believe an Omnibus bill will be passed prior to the September adjournment. If not, an Omnibus measure could not be enacted until the return of the Congress in the new year. SCAG is pressing the advancement of the Regional Consensus Appropriations requests and will continue to monitor the progress of the FY05 Appropriations bills closely.

CAP#101436


MEMO

DATE: August 5, 2004

TO: The Regional Council
The Transportation and Communications Committee

FROM: Donald Rhodes, Manager of Government and Public Affairs
Phone: (213) 236-1840 E-Mail: rhodes@scag.ca.gov

SUBJECT: Innovative Financing and Project Delivery



SUMMARY:

At both state and federal levels, SCAG is pursuing legislation to facilitate the use of private financing and expedited project delivery for regional transportation projects, which is germane to SCAG's need for innovative financing as proposed in the Regional Transportation Plan (RTP). Experts in federal tax financing have drafted language for SCAG on TIFIA and tax credit financing; SCAG's Washington representatives are advocating for inclusion of the language in the reauthorization of TEA-21 or S. 1637 (Grassley). SCAG's Sacramento representatives are advocating for the inclusion of SCAG's proposal, the Regional Investment in Goods Movement, Highways, and Transit Act (RIGHT), in a conference report expected when SB 1210 (Torlakson), SB 1793 (McPherson) and AB 3048 (Oropeza) are finalized in a joint conference.

BACKGROUND:

SCAG's adopted 2004 RTP calls for the investment of \$62 billion in private financing for regional transportation projects including truck and rail capacity enhancements and Maglev. Working with CALCOG and the California Foundation on the Environment and the Economy (CFEE), a roundtable of transportation leaders, SCAG has advocated proposals to create in legislation the private financing tools necessary to implement the RTP. This memorandum updates members on SCAG's efforts at the state and federal level and briefly explains the legislative changes SCAG seeks.

TIFIA, Tax Credit Equity & Tax Credit Bond

The Transportation Infrastructure Finance Initiative Act (TIFIA) allows the US Department of Transportation to provide direct credit assistance in the form of loans, loan guarantees, or lines of credit to sponsors of major transportation projects. Direct loans reimburse a project sponsor's expenditures for eligible project costs. Loan guarantees and lines of credit provide sources of capital should project revenues fall short of amounts needed to repay commercial project investors. TIFIA credit instruments offer project sponsors an excellent way to boost debt service coverage and enhance senior project obligations at an affordable cost.

Highway, transit, passenger rail, and certain inter-modal projects are eligible to receive TIFIA assistance and both public and private entities may apply for TIFIA assistance. Such entities include state DOTs, local governments, transit agencies, special authorities or districts, railroad



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companies, and private firms or consortia. The candidate project's eligible costs must reach at least \$100 million and must comply with the relevant federal regulations that attach to grant-funded transportation projects of the same type.

The changes SCAG seeks to TIFIA would make developmental grants available to project sponsors to fund the costs of predeployment activities, including environmental studies. SCAG also supports amendments to TIFIA currently included in the Senate version of the reauthorization bill that broadens the definition of eligible projects to include freight projects and that removes the annual limitation on the principal amount of credit support.

In the area of tax credit financing, language has been proposed that would facilitate raising investment capital for goods movement projects through tax credit equity and tax credit bonds. Tax credit equity works in the following manner: Investors contribute two-thirds of project costs with up front capital and receive annual tax credits and the principle at maturity in return. Tax credit bonds, by comparison, would be sold to institutional investors to raise 100% of project costs. A project sponsor would be required to pay the initial one-third non-federal match into a sinking fund.

With the necessary draft language prepared, SCAG's Washington representatives have been working to press these amendments into the TEA-21 reauthorization or the S. 1637 conference committees. However, with congressional progress slowed nearly to a halt in the face of ongoing disagreement about the appropriate funding levels for the reauthorization, progress has been gradual, but consistent and will continue.

Design Build, Design Sequencing and RIGHT

In Sacramento, three bills have advanced, SB 1210 (Torlakson), SB 1793 (McPherson) and AB 3048 (Oropeza), that relate to design build and design sequencing project delivery and public/private partnerships for goods movement project financing.

To capitalize on the expected conferencing-together of SB 1210, SB 1793, and AB 3048, SCAG has proposed a mechanism to speed investment in regional transportation projects. The Regional Investment in Goods Movement, Highways, and Transit Act (RIGHT) would create regional authorities to oversee the planning, design, construction, operation, maintenance, and financing of private sector-financed, user-supported projects.

According to RIGHT, an eligible project's total costs, excluding operations and maintenance, must equal or exceed \$100 million and the public funding contribution may not exceed 30% of project costs. Projects must be included in the Regional Transportation Plan and the Regional Transportation Improvement Program and must comply with environmental justice requirements. In entering into agreements with private developers of transportation projects, regional authorities could not preclude the construction or financing of competing public facilities, but could agree to make payments to make up any loss of revenues resulting from the competing facilities.

RIGHT includes environmental streamlining provisions to expedite project delivery. The role of county transportation commissions has also been strengthened in response to their concerns.

SCAG's Sacramento representatives are working with members of the Legislature in the "design-build conference committee" to include RIGHT in their report. To meet the needs of the region, additional dollars beyond current revenue streams must be maximized to increase goods movement and transportation infrastructure for the benefit of Southern California's economy.

CAP#101413

MEMO

DATE: August 5, 2004

TO: The Regional Council
The Transportation and Communications Committee

FROM: Donald Rhodes, Manager of Government and Public Affairs
Phone: (213) 236-1840 E-Mail: rhodes@scag.ca.gov

RE: Update on Tribal Gaming Compacts and Prop 68 & 70

SUMMARY:

Two ballot initiatives on tribal gaming, Propositions 68 and 70, are drafted in a way that, if passed by voters, will void Governor Schwarzenegger's signed compact with the Indian tribes. Transportation stakeholders are concerned about the possibility the signed compact will be negated because its proceeds are to be used to repay amounts borrowed in recent years from dedicated transportation funds to bolster the General Fund. Propositions 68 and 70 do not backfill transportation funds and may merit further consideration by the Regional Council this summer.

BACKGROUND:

In June, Governor Schwarzenegger signed a compact with five Indian tribes authorizing them to operate unlimited numbers of slot machines in exchange for a one-time payment of \$1 billion to the State, followed annually with as much as \$150 million a year in additional payments. The compact was ratified by the Legislature in AB 687 (Nunez). The compact is a serious concern for transportation stakeholders because the proceeds will be used to repay monies borrowed in recent years from dedicated transportation funding sources like the Traffic Congestion Relief Fund (TCRF), created by Proposition 42 in 2000.

If passed, Propositions 68 and 70 will negate the compact Governor Schwarzenegger recently negotiated. Proposition 68 allows eleven non-tribal racetracks and other gambling establishments who sponsored the initiative to operate 30,000 slot machines and pay 33%, upward of \$1 billion, of the revenue to the state. Prop 70, sponsored by the Agua Caliente Band of Cahuilla Indians, calls for the Governor to offer renewable 99-year gaming agreements to Indian tribes with no limits on the number of slot machines. Tribes would pay the state a portion of revenues based on the state's prevailing corporate tax rate, currently 8.84%. Revenues from neither Proposition 68 nor Proposition 70 would be used for transportation purposes, unlike the deal ratified in AB 687.

Reports indicate that sponsors and interested parties, including the Governor, are gearing up to fight for or against the propositions in the fall. The Regional Council may wish to review the propositions this summer in light of its stated policy of support for replenishing and firewalling Proposition 42 funds. Government Affairs will provide updates on the propositions as events arise.

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Assembly Bill No. 687

CHAPTER 91

An act to add Title 12 (commencing with Section 1811) to Part 3 of the Code of Civil Procedure, and to add Section 12012.40 to, and to add Article 6.5 (commencing with Section 63048.6) to Chapter 2 of Division 1 of Title 6.7 of, the Government Code, relating to tribal-state gaming compacts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 2004. Filed with
Secretary of State July 1, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

AB 687, Nunez. Tribal-state gaming compacts: ratification and payment securitization.

(1) Existing federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain gaming activities on Indian lands within a state. Existing California law expressly ratifies specified tribal-state gaming compacts.

This bill would ratify amendments of tribal-state gaming compacts entered into by the State of California and the Pala Band of Mission Indians, the Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation, the Rumsey Band of Wintun Indians, the United Auburn Indian Community, and the Viejas Band of Kumeyaay Indians.

The bill would also provide that specified acts and agreements related to the amended compacts are not projects for the purposes of California Environmental Quality Act.

(2) Existing law sets forth the duties of the Infrastructure and Economic Development Bank and its board of directors generally in performing various financing transactions, including the issuance of bonds or the authorizing of the issuance of bonds by a trust, partnership, limited partnership, association, corporation, nonprofit corporation, or other entity, known as a special purpose trust.

This bill would, upon a filing by the Director of Finance with the bank of the list of specified amended tribal compacts, called designated tribal compacts, authorize the bank to sell for, and on behalf of, the state all or any portion of the state's compact assets to a special purpose trust, which would be established as a not-for-profit corporation by the bill, except that the sale or sales would be limited to an amount necessary to provide the state with net proceeds of the sale not to exceed \$1.5 billion,

exclusive of capitalized interest on the bonds and any costs incurred by the bank or the special purpose trust in implementing the bill. "Compact assets" would be defined for these purposes as moneys required to be paid to the state under specified provisions of the designated tribal compacts, and the state's rights to receive those payments.

This bill would provide that the members of the board of directors of the bank, the Director of the Department of Transportation, and the Director of General Services shall serve ex officio as the directors of the special purpose trust, and would authorize the special purpose trust to issue bonds on the terms it determines. It would also authorize the special purpose trust to enter into agreements with any public or private entity and to pledge the compact assets that it purchases as collateral and security for the bonds. It would specify that the bonds issued pursuant to these provisions shall not be deemed to constitute a debt of the state or a pledge of the faith or credit of the state, and set forth the rights of the affected Indian tribes and holders of bonds under these provisions.

(3) Existing law establishes the Traffic Congestion Relief Fund and the Transportation Deferred Investment Fund in the State Treasury, and continuously appropriates the moneys in those funds for specified transportation purposes.

This bill would require the net proceeds of the sale of the compact assets to be deposited in these funds in specified amounts for specified purposes and priorities, thereby making an appropriation. The bill would require that amounts deposited in the Traffic Congestion Relief Fund and the Transportation Deferred Investment Fund be applied as a credit to transfers from the General Fund that the Controller would otherwise be required to make to that fund. The bill would also require that when these amounts have been paid to these funds pursuant to the provisions of the bill, or by other appropriations or transfers, the revenues received thereafter are to be remitted to the California Gambling Control Commission for deposit in the General Fund.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares both of the following:

(a) The Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with federally recognized Indian tribes located within the state pursuant to the federal Indian Gaming Regulatory Act of 1988 (18



U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701, et seq.) for the purpose of authorizing class III gaming, as defined in that act, on Indian lands within this state. The Governor has entered into amendments to certain tribal-state gaming compacts and has submitted a copy of those executed amendments to tribal-state compacts to both houses of the Legislature for ratification, and has submitted a copy of the executed amendments to the Secretary of State for purposes of subdivision (f) of Section 12012.25 of the Government Code.

(b) The amended tribal-state compacts, among other things, require payments to the state in anticipation of the issuance of bonds to be secured by those payments. It is in the public interest and a matter of urgency to authorize, and to implement as soon as possible, the sale of the right to receive those payments and a portion of certain other payments under the compacts, and the issuance of the bonds by the purchaser of the assets, in order to ensure that funds will be available for the purpose of funding essential transportation improvements and projects in the state.

SEC. 2. Title 12 (commencing with Section 1811) is added to Part 3 of the Code of Civil Procedure, to read:

TITLE 12. TRIBAL INJUNCTIONS

1811. (a) Following the issuance of the bonds as specified in Section 63048.65 of the Government Code and during the term of the bonds, if it reasonably appears that the exclusive right of an Indian tribe with a designated tribal compact, as defined in subdivision (b) of Section 63048.6 of the Government Code, pursuant to Section 3.2(a) of that compact has been violated, the tribe may seek a preliminary and permanent injunction against that gaming or the authorization of that gaming as a substantial impairment of the rights specified in Section 3.2(a), in order to afford the tribe stability in its gaming operation and to maintain the bargained-for source of payment and security of the bonds. However, no remedy other than an injunction shall be available against the state or any of its political subdivisions for a violation of Section 3.2(a). The Legislature hereby finds and declares that any such violation of the exclusive right to gaming under Section 3.2(a) is a substantial impairment of the rights specified in that section and will cause irreparable harm that cannot be adequately remedied by damages. No undertaking shall be required on the part of the tribes in connection with any action to seek the preliminary or permanent injunction.

(b) Notwithstanding any other provision of law, the parties to an action brought pursuant to subdivision (a) may petition the Supreme Court for a writ of mandate from any order granting or denying a

preliminary injunction. Any such petition shall be filed within 15 days following the notice of entry of the superior court order, and no extension of that period shall be allowed. In any case in which a petition has been filed within the time allowed therefor, the Supreme Court shall make any orders, as it may deem proper in the circumstances.

SEC. 3. Section 12012.40 is added to the Government Code, to read:

12012.40. (a) The following amendments to tribal-state gaming compacts entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) are hereby ratified:

(1) The amendment of the compact between the State of California and the Pala Band of Mission Indians, executed on June 21, 2004.

(2) The amendment of the compact between the State of California and the Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation, executed on June 21, 2004.

(3) The amendment of the compact between the State of California and the Rumsey Band of Wintun Indians, executed on June 21, 2004.

(4) The amendment of the compact between the State of California and the United Auburn Indian Community, executed on June 21, 2004.

(5) The amendment of the compact between the State of California and the Viejas Band of Kumeyaay Indians, executed on June 21, 2004.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment of tribal-state gaming compact ratified by this section.

(B) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, an amended tribal-state gaming compact ratified by this section.

(C) The on-reservation impacts of compliance with the terms of an amended tribal-state gaming compact ratified by this section.

(D) The sale of compact assets as defined in subdivision (a) of Section 63048.6 or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or a city and county from the requirements of the California Environmental Quality Act.

SEC. 4. Article 6.5 (commencing with Section 63048.6) is added to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to read:



Article 6.5. Tribal Compact Assets Securitization

63048.6. The definitions contained in this section are in addition to the definitions contained in Section 63010 and together with the definitions contained in that section shall govern the construction of this article, unless the context requires otherwise:

(a) “Compact assets” means moneys required to be paid to the state under Sections 4.3.1 and 4.3.3 of the designated tribal compacts and the state’s rights to receive those payments.

(b) “Designated tribal compacts” means the amended and new tribal-state compacts, which are ratified by the Legislature, and that, among other things, require certain payments to the state in exchange for the exclusive right of the compact tribes to engage in certain gaming activities in their respective core geographic markets, all as specified in the amended and new compacts, and that are designated by the Director of Finance pursuant to subdivision (a) of Section 63048.65.

(c) “Operating expenses” means the reasonable operating expenses of the special purpose trust and the bank, including, but not limited to, the costs of preparation of accounting and other reports, maintenance of the ratings on the bonds, insurance premiums, or other required activities of the special purpose trust, and fees and expenses incurred for professional consultants, advisors, fiduciaries, and legal counsel, including the fees and expenses of the Attorney General incurred in connection with the enforcement of the pledges and agreements of the state pursuant to Section 63048.8.

63048.65. (a) Upon a filing by the Director of Finance with the bank of a list of designated tribal compacts and the specific portions of the compact assets to be sold, the bank may sell for, and on behalf of, the state, solely as its agent, those specific portions of the compact assets to a special purpose trust. To that end, a special purpose trust is hereby established as a not-for-profit corporation solely for that purpose and for the purposes necessarily incidental thereto. The bank may enter into one or more sales agreements with the special purpose trust on terms it deems appropriate, which may include covenants of, and binding on, the state necessary to establish and maintain the security of the bonds and exemption of interest on the bonds from federal income taxation. The portion of the compact assets to be sold shall be an amount or amounts determined by the Director of Finance that are necessary to provide the state with net proceeds of the sale, not to exceed one billion five hundred million dollars (\$1,500,000,000), exclusive of capitalized interest on the bonds and any costs incurred by the bank or the special purpose trust in implementing this article, including, but not limited to, the cost of financing one or more reserve funds, any credit enhancements, costs

incurred in the issuance of bonds, and operating expenses. Those specific portions of the compact assets may be sold at one time or from time to time.

(b) The special purpose trust may issue bonds, including, but not limited to, refunding bonds, on the terms it shall determine, and do all things contemplated by, and authorized by, this division with respect to the bank, and enjoy all rights, privileges, and immunities the bank enjoys pursuant to this division, or as authorized by Section 5140 of the Corporations Code with respect to public benefit nonprofit corporations, or as necessary or appropriate in connection with the issuance of bonds, and may enter into agreements with any public or private entity and pledge the compact assets that it purchased as collateral and security for its bonds. However, to the extent of any conflict between any of the foregoing and the provisions of this article, the provisions of this article shall control. The pledge of any of these assets and of any revenues, reserves, and earnings pledged in connection with these assets shall be valid and binding in accordance with its terms from the time the pledge is made, and amounts so pledged and thereafter received shall immediately be subject to the lien of the pledge without the need for physical delivery, recordation, filing, or other further act. The special purpose trust, and its assets and income, and bonds issued by the special purpose trust, and their transfer and the income therefrom, shall be exempt from all taxation by the state and by its political subdivisions.

(c) (1) The net proceeds of the sale of compact assets by the bank shall be deposited in the following order:

(A) One billion two hundred fourteen million dollars (\$1,214,000,000) to the Traffic Congestion Relief Fund for the purpose of funding or reimbursing the cost of projects, programs, and activities permitted and necessary to be funded by that fund in accordance with applicable law in the following priority order:

(i) Transfer of four hundred fifty-seven million dollars (\$457,000,000) to the State Highway Account for project expenditures.

(ii) Two hundred ninety million dollars (\$290,000,000) for allocation to Traffic Congestion Relief Program projects.

(iii) Three hundred eighty-four million dollars (\$384,000,000) to be allocated equally, as funds become available, for both of the following:

(I) To the Public Transportation Account for project expenditures.

(II) For advanced repayments of local street and road projects due for funding in the 2008–09 fiscal year.

(iv) Eighty-three million dollars (\$83,000,000) to the Public Transportation Account for project expenditures.

(v) Advanced funding of State Transit Assistance loans due for funding in the 2008–09 fiscal year.

(B) To the Transportation Deferred Investment Fund, an amount up to the outstanding amount of the suspension of the 2004–05 fiscal year transfer of the sales tax on gasoline to the Transportation Investment Fund pursuant to requirements of Article XIX B of the California Constitution.

(C) To the Transportation Deferred Investment Fund, an amount up to the outstanding amount of the suspension of the 2003–04 fiscal year transfer of the sales tax on gasoline to the Transportation Investment Fund pursuant to requirements of Article XIX B of the California Constitution.

(2) Notwithstanding paragraph (1), if and to the extent it is necessary to ensure to the maximum extent practicable the eligibility for exclusion from taxation under the federal Internal Revenue Code of interest on the bonds to be issued by the special purpose trust, the Director of Finance may adjust the application of proceeds not eligible for exclusion from taxation among the authorized funds described in paragraph (1). The Department of Finance shall submit a report to the Legislature describing any proposed changes among the authorized funds in paragraph (1), and consistent with this paragraph, at least 30 days prior to issuing the bonds pursuant to this article. Amounts deposited in the Traffic Congestion Relief Fund pursuant to paragraph (1) shall be applied as a credit to transfers from the General Fund that the Controller would otherwise be required to make to that fund. Amounts deposited in the Transportation Deferred Investment Fund shall be expended in conformance with Sections 7105 and 7106 of the Revenue and Taxation Code, and the amounts so deposited shall also be applied as a credit to the transfers from the General Fund that the Controller would otherwise be required to make under those sections. The Legislature hereby finds and declares that the deposits and credits described in this subdivision do not constitute the use of the proceeds of bonds or other indebtedness to pay a year-end state budget deficit as prohibited by subdivision (c) of Section 1.3 of Article XVI of the California Constitution. Subject to any constitutional limitation, the use and application of the proceeds of any sale of compact assets or bonds shall not in any way affect the legality or validity of that sale or those bonds.

(d) Funds received from amended tribal-state compacts, or new compacts entered into and ratified on or after the effective date of this article, pursuant to Section 4.3.1 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, that are neither sold to the special purpose trust nor otherwise appropriated, and funds received as a result of the state's acquisition of an ownership interest in any residual interest in compact assets attributable to Section 4.3.1 of the amended compacts, or the comparable



section in new compacts, as specified in those compacts, shall be remitted to the California Gambling Control Commission for deposit in the General Fund.

(e) Funds received from amended tribal-state compacts, or new compacts entered into and ratified on or after the effective date of this article, pursuant to Section 4.3.3 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, shall be held in an account within the Special Deposit Fund until those funds are sold or otherwise applied pursuant to this subdivision. From time to time, at the direction of the Director of Finance, any moneys in this account shall be deposited and applied in accordance with subdivision (c) or shall be deemed to be compact assets for purposes of sale to the special purpose trust pursuant to this article. If the Director of Finance determines that the bonds authorized pursuant to this article cannot be successfully issued by the special purpose trust, funds within the account shall be deposited in accordance with subdivision (c). In addition, all subsequent revenues remitted pursuant to Section 4.3.3 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, and funds received as a result of the state's acquisition of an ownership interest in any residual interest in compact assets attributable to Section 4.3.3 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, shall be used to satisfy the purposes of subdivision (c). When the amounts described in subdivision (c) have been paid to the funds named in that subdivision either pursuant to this article or by other appropriations or transfers, thereafter the revenues received by the state from Section 4.3.3 of the compact shall be remitted to the California Gambling Control Commission for deposit in the General Fund.

(f) The principal office of the special purpose trust shall be located in the County of Sacramento. The articles of incorporation of the special purpose trust shall be prepared and filed, on behalf of the state, with the Secretary of State by the bank. The members of the board of directors of the bank as of the effective date of this article, the Director of the Department of Transportation, and the Director of General Services, shall each serve ex officio as the directors of the special purpose trust. Any of these directors may name a designee to act on his or her behalf as a director of the special purpose trust. The Director of Finance or his or her designee shall serve as chair of the special purpose trust. Directors of the special purpose trust shall not be subject to personal liability for carrying out the powers and duties conferred by this article. The Legislature hereby finds and declares that the duties and responsibilities of the directors of the special purpose trust and the duties and responsibilities of the Director of Finance established under this article



are within the scope of the primary duties of those persons in their official capacities. The special purpose trust shall be treated as a separate legal entity with its separate corporate purpose as described in this article, and the assets, liabilities, and funds of the special purpose trust shall be neither consolidated nor commingled with those of the bank.

63048.7. Notwithstanding any other provision of this division, Article 3 (commencing with Section 63040), Article 4 (commencing with Section 63042), and Article 5 (commencing with Section 63043) do not apply to any bonds issued by the special purpose trust established by this article. All matters authorized in this article are in addition to powers granted to the bank in this division.

63048.75. Any sale of some or all of the compact assets under this article shall be treated as a true sale and absolute transfer of the property so transferred to the special purpose trust and not as a pledge or grant of a security interest by the state, the bank board, or the bank for any borrowing. The characterization of the sale of any of those assets as an absolute transfer by the participants shall not be negated or adversely affected by the fact that only a portion of the compact assets is transferred, nor by the state's acquisition of an ownership interest in any residual interest in the compact assets, nor by any characterization of the special purpose trust or its bonds for purposes of accounting, taxation, or securities regulation, nor by any other factor whatsoever.

63048.8. (a) (1) On and after the effective date of each sale of compact assets, the state shall have no right, title, or interest in or to the compact assets sold, and the compact assets so sold shall be property of the special purpose trust and not of the state, the bank board, or the bank, and shall be owned, received, held, and disbursed by the special purpose trust or the trustee for the financing. None of the compact assets sold by the state pursuant to this article shall be subject to garnishment, levy, execution, attachment, or other process, writ, including, but not limited to, a writ of mandate, or remedy in connection with the assertion or enforcement of any debt, claim, settlement, or judgment against the state, the bank board, or the bank.

(2) On or before the effective date of any sale, the state, acting through the Director of Finance, upon direction of the bank, shall notify each tribe that has executed a designated tribal compact that the particular compact assets that have been sold to the special purpose trust and irrevocably instruct the tribe that, as of the applicable effective date and so long as the bonds secured by the compact assets are outstanding, the compact assets sold are to be paid directly to the trustee for the applicable bonds of the special purpose trust. Certification by the Director of Finance that this notice has been given shall be conclusive evidence thereof for purposes of this article.



(3) The state pledges and agrees with the holders of any bonds issued by the special purpose trust that it will not authorize anyone other than an Indian tribe with a federally authorized compact to engage in specified gaming activities within the defined core geographic market of an Indian tribe that is a party to a designated tribal compact in violation of the designated tribal compact as ratified by the Legislature, unless adequate provision is made by law for the protection of the holders of bonds in a manner consistent with the indenture or trust agreement pursuant to which the bonds are issued. The state pledges to and agrees with the holders of any bonds issued by the special purpose trust that it will (A) enforce its rights to collect the compact assets sold to the special purpose trust pursuant to this article, (B) not amend any designated tribal compact or take any other action, that would in any way diminish, limit, or impair the rights to receive compact assets sold to the special purpose trust pursuant to this article, and (C) not in any way impair the rights and remedies of bondholders or the security for their bonds until, in each case, those bonds, together with the interest thereon and costs and expenses in connection with any action or proceeding on behalf of the bondholders, are fully paid and discharged or otherwise provided for pursuant to the terms of the indenture or trust agreement pursuant to which those bonds are issued. The special purpose trust may include these pledges and undertakings in its bonds. Notwithstanding any other provision of this article, inherent police powers that cannot be contracted away are reserved to the state.

(b) Bonds issued pursuant to this article shall not be deemed to constitute a debt of the state nor a pledge of the faith or credit of the state, and all bonds shall contain on the face of the bond a statement to the effect that neither the faith and credit nor the taxing power nor any other assets or revenues of the state or of any political subdivision of the state other than the special purpose trust, is or shall be pledged to the payment of the principal of or the interest on the bonds.

(c) Whether or not the bonds are of a form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, the bonds are hereby made negotiable instruments for all purposes, subject only to the provisions of the bonds for registration.

(d) The special purpose trust and the bank shall be treated as public agencies for purposes of Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, and any action or proceeding challenging the validity of any matter authorized by this article shall be brought in accordance with, and within the time specified in, that chapter.

(e) Notwithstanding any other provision of law, the exclusive means to obtain review of a superior court judgment entered in an action

brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any bonds to be issued, any other contracts to be entered into, or any other matters authorized by this article shall be by petition to the Supreme Court for writ of review. Any such petition shall be filed within 15 days following the notice of entry of the superior court judgment, and no extension of that period shall be allowed. If no petition is filed within the time allowed for this purpose, or the petition is denied, with or without opinion, the decision of the superior court shall be final and enforceable as provided in subdivision (a) of Section 870 of the Code of Civil Procedure. In any case in which a petition has been filed within the time allowed, the Supreme Court shall make any orders as it may deem proper in the circumstances. If no answering party appeared in the superior court action, the only issues that may be raised in the petition are those related to the jurisdiction of the superior court. Nothing in this subdivision or subdivision (d) shall be construed as granting standing to challenge the designated tribal compacts.

63048.85. (a) The Legislature finds and declares that, because the proceeds from the sale of compact assets authorized by this article are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

(b) Compact assets shall not be deemed to be “State General Fund proceeds of taxes appropriated pursuant to Article XIII B” within the meaning of Section 8 of Article XVI of the California Constitution, Section 41202 of the Education Code, or any other provision of law.

(c) Compact assets are not General Fund revenues for the purposes of Section 8 of Article XVI of the California Constitution or any other provision of law.

63048.9. This article and all powers granted hereby shall be liberally construed to effectuate its intent and their purposes.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that sufficient funds are available when needed to fund essential transportation programs and to ensure that the revenues available under the amended tribal-state compacts ratified pursuant to this act are made available to the state as expeditiously as possible, it is necessary that this act take effect immediately.

O



TRIBAL FAIR SHARE ACT OF 2004

Section 1. This Act shall be known as the Tribal Fair Share Act of 2004.

Section 2. Findings and purpose.

The People of the State of California hereby find and declare as follows:

- a. Casino-style gambling exclusively on Indian lands was authorized by the People of California by the enactment of Proposition 1A in March 2000 with the understanding that tribal gaming operations would be limited in scope, confined to existing Indian lands, and would be beneficial to tribal members who were living in poverty.
- b. Since the passage of Proposition 1A giving California tribes a monopoly on casino gaming in the state, tribal gaming operations in California have grown to the point that there are now more than 60 tribal casinos and 60,000 slot machines on tribal lands, with more casinos under construction.
- c. Tribal gaming in California now annually generates more than \$5 billion in gross revenues and more money is gambled in California than in any other state except Nevada.
- d. Over 42,000 Californians are employed at tribal casinos. Because they are employed by tribes, they are not entitled to the same protection of state law as other California workers. Moreover, due to their low wages and lack of health benefits, many are forced to rely on taxpayer-supported health programs.
- e. In other states, many tribal and commercial casinos granted a monopoly on casino gambling pay 25% to 70% of their gross gaming income for the privilege of operating casinos.
- f. There are only approximately 35,000 tribal members in the entire State of California who are eligible to benefit from gambling revenues and fewer than half of these tribal members belong to tribes operating major casinos.
- g. Tribal casino operations have caused extensive off-reservation impacts – such as severe traffic congestion on inadequate roads, noise, air, and water pollution, and increased law enforcement and public safety demands – all of which annually cost local governments hundreds of millions of dollars.
- h. Tribal casinos are not required to pay any significant federal, state or local taxes (such as income, property, or sales tax).

- i. Tribal casinos benefit from programs and infrastructure expenditures by the State and local governments and individual tribal members are entitled to the same public benefits and services as all other Californians.
- j. The State of California and its local governments are currently in a severe fiscal crisis and can no longer afford to subsidize tribal gaming operations.
- k. This measure authorizes the Governor to enter into new or amended tribal gaming compacts under which the Indian tribes may agree to contribute to the State a fair share of the gross revenues derived from their gaming activities in exchange for the continued exclusive right to operate casino-style gaming facilities in the State.
- l. The amount of a tribal fair share should be negotiated between the State of California and the tribes as provided by the federal Indian Gaming Regulatory Act, rather than imposed by one party.

Section 3. Section 19 of Article IV of the California Constitution is amended to read:

(h)(1) Notwithstanding subdivision (f)(Ballot Proposition 1A, enacted March 7, 2000), in recognition of the continuing exclusive franchise granted the tribes for casino gambling activities, the tax-exempt status of tribal casinos, and the substantial costs imposed on the State and local governments as a result thereof, the Governor is authorized to seek amendments to any existing compact, and to seek in any compact negotiated after January 1, 2004, the following enforceable terms:

- (a) a requirement that a tribe pay a fair share to the State of California in an amount which takes into account the tribes' exclusive franchise on casino-style gaming and exemption from federal taxation, and is not less than what a California business conducting lawful gaming would pay in state taxes ("tribal fair share"); and
- (b) a requirement that a tribe negotiate directly with any city or county where the tribal casino is located for an enforceable agreement to make payments in lieu of local taxes that are imposed on non-tribal California businesses, and to mitigate any off-reservation impacts caused by the casino, including impacts on other cities and counties significantly affected, and that such mitigation incorporate the policies and purposes of the California Environmental Quality Act; and
- (c) A requirement that a tribe enact enforceable tribal ordinances that both recognize employment rights of its employees that are equivalent to those afforded California workers in non-tribal businesses, including the employees' right to choose an employee organization, and to receive health and welfare benefits.

(2) With respect to the amendment of any existing compact, or the negotiation of any new compact negotiated after January 1, 2004, if a tribe agrees to the provisions of subdivisions (a) through (c) of this subdivision (h), the Governor is authorized to agree to, but not exceed, the following terms:

- (a) For existing compacts, an increase in the number of slot machines that each tribe was authorized to operate on January 1, 2004, but in no case shall a tribe operate more than 3,000 slot machines or more than two casinos.
- (b) For new compacts, a maximum of 3,000 slot machines and not more than two casinos.

(3) If the tribe seeking a new compact after January 1, 2004 does not agree to the terms in subdivision (1) (a) through (c), the Governor is not authorized to negotiate a compact with that tribe for the operation of more than 350 slot machines.

(4) If a tribe with a compact in effect as of January 1, 2004 does not agree to the terms in subdivision (1) (a) through (c), the Governor is not authorized to negotiate any further amendments to that tribe's compact concerning the type of gaming activity permitted, the number of permitted slot machines or banking and/or percentage card games, or any other increase or change to the type or amount of permitted gaming.

Section 4. Inconsistency with other Ballot Measures.

The provisions of this Act shall be deemed to conflict with and to be inconsistent with any other initiative measure that appears on the same ballot that amends the California Constitution relating to gaming by federally recognized Indian tribes in California. In the event that this Act and another measure that amends the California Constitution relating to gaming by Indian tribes are adopted at the same election, the measure receiving the greater number of affirmative votes shall be given any force or effect.

Section 5. Severability

If any provision of this Act or the application thereof to any person or circumstances is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of the Act that can be given effect without the invalid or unconstitutional provision or application and to this end the provisions of this Act are severable.

THE INDIAN GAMING FAIR-SHARE REVENUE ACT OF 2004

SECTION 1. Title

This Act shall be known as the "Indian Gaming Fair-Share Revenue Act of 2004."

SECTION 2. Findings and Purpose

The People of the State of California hereby find and declare as follows:

(a) The purpose of the People of the State of California in enacting this measure is to provide a means for California Indian tribes to contribute their fair share of gaming revenues to the State of California. Both the People of California and California Indian tribal governments desire for tribes to assist in restoring financial integrity to the State by contributing an amount that is equivalent to what any private California corporation pays to the State on the net income it earns from its lawful business activities.

(b) In March 2000, the People of the State of California adopted Proposition 1A, which authorized the Governor to negotiate tribal-state gaming compacts with federally recognized Indian tribes for the operation of slot machines and certain casino games on tribal lands in California in accordance with federal law. Proposition 1A was enacted by the People in recognition of the fact that, historically, Indian tribes within the State have long suffered from high rates of unemployment and inadequate educational, housing, elderly care, and health care opportunities, while typically being located on lands that are not conducive to economic development in order to meet those needs.

(c) Since the adoption of Proposition 1A, over fifty Indian tribes have entered into tribal gaming compacts with the State of California. These compacts and the gaming facilities they authorize have assisted Indian tribes throughout the State to move towards economic self-sufficiency by providing a much-needed revenue source for various tribal purposes, including tribal government services and programs such as those that address reservation housing, elderly care, education, health care, roads, sewers, water systems, and other tribal needs. Tribal gaming has also spurred new development, has created thousands of jobs for Indians and non-Indians alike, and has had a substantial positive economic impact on the local communities in which these facilities are located.

(d) Under the existing tribal gaming compacts, Indian tribes also pay millions of dollars each year into two State special funds that are used to provide grants to local governments, to finance programs addressing gambling addiction, to reimburse the State for the costs of regulating tribal gaming, and to share gaming revenues with other Indian tribes in the State that do not operate gaming facilities. However, because Indian tribes are sovereign governments and are exempt from most forms of taxation, they do not pay any corporate income taxes directly to the State on the profits derived from their gaming operations.

(e) Given California's current fiscal crisis, the State needs to find new ways to

generate revenues for the General Fund in the State Treasury. Indian tribes want to and should do their part to assist California in meeting its budget needs by contributing to the State a fair share of the net income they receive from gaming activities in recognition of their continuing right to operate tribal gaming facilities in an economic environment free of competition from casino-style gaming on non-Indian lands. A fair share for the Indian tribes to contribute to the State is an amount that is equivalent to the amount of corporate taxes that a private California corporation pays to the State on the net income it earns from its lawful business activities.

(f) Accordingly, in order to provide additional revenues to the State of California in this time of fiscal crisis, this measure authorizes and requires the Governor to enter into new or amended tribal gaming compacts under which the Indian tribes agree to contribute to the State a fair share of the net income derived from their gaming activities in exchange for the continued exclusive right to operate casino-style gaming facilities in California. In addition, in order to maximize revenues for the State and to permit the free market to determine the number and type of casino games and devices that will exist on tribal lands, this measure requires these new or amended compacts to allow each tribal government to choose the number and size of the gaming facilities it operates, and the types of games offered, that it believes will maximize the tribe's income, as long as the facilities are restricted to and are located in those areas that have been designated by both the State of California and the United States government as tribal lands. Under the new or amended compacts authorized by this measure, Indian tribes must also prepare environmental impact reports analyzing the off-reservation impacts of any proposed new or expanded gaming facilities, and they must consult with the public and local government officials to develop a good-faith plan to mitigate any significant adverse environmental impacts.

SECTION 3. Section 19 of Article IV of the California Constitution is amended to read:

Sec. 19

(a) The Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a), the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New Jersey.

(f) Notwithstanding subdivisions (a) and (e), and any other provision of state

law, the Governor is authorized to negotiate and conclude compacts, subject to ratification by the Legislature, for the operation of slot machines and for the conduct of ~~lottery games and banking and percentage card games~~ any and all forms of Class III gaming by federally recognized Indian tribes on Indian lands in California in accordance with federal law. Accordingly, slot machines, lottery games, roulette, craps, and banking and percentage card games, and any and all other forms of casino gaming are hereby specifically permitted to be conducted and operated on tribal lands subject to those compacts.

(fg) Notwithstanding subdivision (a), the Legislature may authorize private, nonprofit, eligible organizations, as defined by the Legislature, to conduct raffles as a funding mechanism to provide support for their own or another private, nonprofit, eligible organization's beneficial and charitable works, provided that (1) at least 90 percent of the gross receipts from the raffle go directly to beneficial or charitable purposes in California, and (2) any person who receives compensation in connection with the operation of a raffle is an employee of the private nonprofit organization that is conducting the raffle. The Legislature, two-thirds of the membership of each house concurring, may amend the percentage of gross receipts required by this subdivision to be dedicated to beneficial or charitable purposes by means of a statute that is signed by the Governor.

(h) Notwithstanding subdivisions (e) and (f), and any other provision of state law, within thirty days of being requested to do so by any federally recognized Indian tribe, the Governor is authorized, directed, and required to amend any existing compact with any Indian tribe, and to offer a new compact to any federally recognized Indian tribe without an existing compact, in accordance with the provisions of this subdivision (h). An "existing compact" means a gaming compact entered into between the State and an Indian tribe that was ratified prior to the effective date of the Indian Gaming Fair-Share Revenue Act of 2004. Any existing compact that is amended pursuant to this subdivision (h) shall not require legislative ratification, but any new compact entered into pursuant to this subdivision (h) shall be submitted to the Legislature within fifteen days after the conclusion of negotiations and shall be deemed ratified if it is not rejected by each house of the Legislature, two-thirds of the members thereof concurring in the rejection, within thirty days of the submission of the compact to the Legislature by the Governor, except that if this thirty-day period ends during a joint recess of the Legislature, the period shall be extended until the tenth day following the day on which the Legislature reconvenes. All compacts amended pursuant to this subdivision (h), and all new compacts entered into pursuant to this subdivision (h), shall include the following terms, conditions, and requirements:

(1) Any federally recognized Indian tribe requesting to enter into a new or amended compact pursuant to this subdivision (h) shall agree under the terms of the compact to contribute to the State, on a sovereign-to-sovereign basis, a percentage of its net income from gaming activities that is equivalent to the amount of revenue the State would receive on the

same amount of net business income earned by a private, non-exempt California corporation based upon the then-prevailing general corporate tax rate under the state Revenue and Taxation Code. This contribution shall be made in consideration for the exclusive right enjoyed by Indian tribes to operate gaming facilities in an economic environment free of competition for slot machines and other forms of Class III casino gaming on non-Indian lands in California. The compact shall provide that in the event the Indian tribes lose their exclusive right to operate slot machines and other forms of Class III casino gaming in California, the obligation of the Indian tribe to contribute to the State a portion of its net income from gaming activities pursuant to this subdivision (h) shall cease. Contributions made to the State pursuant to this subdivision (h) shall be in lieu of any and all other fees, taxes or levies that may be charged or imposed, directly or indirectly, by the State, cities, or counties against the Indian tribe on its authorized gaming activities, except that a tribe amending an existing compact or entering into a new compact pursuant to this subdivision (h) shall be required to make contributions to the Revenue Sharing Trust Fund and, if the tribe operated gaming devices on September 1, 1999, to the Special Distribution Fund, in amounts and under terms that are identical to those contained in the existing compacts.

(2) Any federally recognized Indian tribe requesting to enter into a new or amended compact pursuant to this subdivision (h) shall agree under the terms of the compact to adopt an ordinance providing for the preparation, circulation, and consideration by the tribe of an environmental impact report analyzing potential off-reservation impacts of any project involving the development and construction of a new gaming facility or the significant expansion, renovation, or modification of an existing gaming facility. The environmental impact report prepared in accordance with this subdivision shall incorporate the policies and objectives of the National Environmental Policy Act and the California Environmental Quality Act consistent with the tribe's governmental interests. Prior to the commencement of any such project, the tribe shall also agree (i) to inform and to provide an opportunity for the public to submit comments regarding the planned project, (ii) to consult with local governmental officials regarding mitigation of significant adverse off-reservation environmental impacts and to make good-faith efforts to mitigate any and all such significant adverse off-reservation environmental impacts, and (iii) to keep local governmental officials and potentially affected members of the public informed of the project's progress.

(3) Any federally recognized Indian tribe requesting to enter into a new or amended compact pursuant to this subdivision (h) shall be entitled under the terms of the compact to operate and conduct any forms and kinds of gaming authorized and permitted pursuant to subdivision (f)

of this section.

(4) Any federally recognized Indian tribe requesting to enter into a new or amended compact pursuant to this subdivision (h) shall be entitled under the terms of the compact to operate as many slot machines and to conduct as many games as each tribal government deems appropriate. There shall likewise be no limit under the terms of the compact on the number or the size of gaming facilities that each tribe may establish and operate, provided that each and every such gaming facility must be owned by the tribe and operated only on Indian lands on which such gaming may lawfully be conducted under federal law.

(5) The initial term of any new or amended compact entered into pursuant to this subdivision (h) shall be ninety-nine years, and the compact shall be subject to renewal upon mutual consent of the parties. The terms and conditions of any new or amended compact entered into pursuant to this subdivision (h) may be amended at any time by the mutual and written agreement of both parties.

(6) Any Indian tribe with an existing compact that wishes to enter into an amended compact pursuant to this subdivision (h) shall not be required as a condition thereof to make any other amendments to its existing compact or to agree to any other terms, conditions, or restrictions beyond those contained in this subdivision (h) and in its existing compact, except as the provisions of its existing compact may be modified in accordance with subdivisions (1) - (5) above.

SECTION 4. Section 12012.80 is added to the California Government Code to read:

12012.80 Indian Gaming Fair-Share Revenue Fund

(a) There is hereby created in the State Treasury a fund called the "Indian Gaming Fair-Share Revenue Fund" for the receipt and deposit of moneys received by the State from Indian tribes under the terms of tribal-state gaming compacts entered into or amended pursuant to article IV, section 19, subdivision (h), of the California Constitution.

(b) Moneys in the Indian Gaming Fair-Share Revenue Fund shall be available for appropriation by the Legislature for any purpose specified by law.

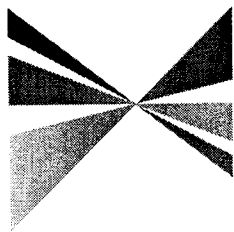
SECTION 5. Inconsistency With Other Ballot Measures

The provisions of this Act shall be deemed to conflict with and to be inconsistent with any other initiative measure that appears on the same ballot that amends the California Constitution relating to gaming by federally recognized Indian tribes in California. In the event that this Act and another measure that amends the California Constitution relating to gaming by Indian tribes are adopted at the same election, the measure receiving the greater number of affirmative votes shall prevail in its entirety, and no provision of the measure receiving the fewer number of affirmative votes shall be given any force or effect.

SECTION 6. Severability

If any provision of this Act or the application thereof to any person or circumstances is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Act that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Act are severable.

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

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Orange County Transportation Authority: Charles Smith, Orange County

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Bill Davis, Simi Valley

MEETING Of the

ADMINISTRATION COMMITTEE

**Thursday, August 5, 2004
9:00 a.m. – 10:15 a.m.**

SCAG Offices

818 W. 7th Street, 12th Floor

San Bernardino Conference Room

Los Angeles, California 90017

213. 236.1800

Agenda Enclosed

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at 213.236.1993 or Salcido@scag.ca.gov.

Agendas and Minutes for the Administration Committee are also available at:

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ADMINISTRATION COMMITTEE

AGENDA

PAGE #

TIME

- 1.0 CALL TO ORDER Councilmember Dixon, Chair
- CHAIR & VICE-CHAIR ELECTIONS
- 2.0 PUBLIC COMMENT PERIOD -- Members of the public desiring to speak on an agenda item, or agenda items not on the agenda, but within the purview of this committee, must notify the Secretary and fill out a speaker's card prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.
- 3.0 CONSENT CALENDAR
- 3.1 Approval Items
- 3.1.1 Approval of June 3, 2004 Minutes Attachment 225
- 3.1.2 Contracts RC Attachment 10
- Fregonese Calthorpe 11
 - David Evans & Associates 14
 - AG/HP (Touchstone Lake, LLC (lease renewal) 16
 - The Patina Group 18
 - Project Manager for IT Implementation (TBD)
- 3.1.3 Approval of 2004-05 Membership Dues for CALCOG RC Attachment 19
- 3.1.4 Approve Draft Disadvantage Business Enterprise Goal and Methodology for Federal FY 2004-2005 RC Attachment 22
- 3.1.5 Approve Co-Sponsorship of UCLA's Extension Public Policy Program 2004 Arrowhead Symposium RC Attachment 28
- 3.1.6 Approve Co-Sponsorship of Rail-Volution Conference to be held on Sept 18-22 RC Attachment 35

Admin. Comm. Agenda – Salcido
07/15/04 - DOCS #10164



ADMINISTRATION COMMITTEE

AGENDA

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<u>Approval Items – Cont'd</u>		
3.1.7 <u>Co-Sponsorship of So. California Leadership Class XV Tuition, Luncheon & Graduation RC Attachment</u>	39	
3.1.8 <u>Authorize Foreign Travel for Ron Roberts & Mark Pisano to Make a Presentation at the Request of Seoul Development Institute Held in Seoul Korea in October 2004 RC Attachment</u>	40	
3.1.9 <u>Approve Coalition for America's Gateways And Trade Corridors for 2004 RC Attachment</u>	45	
3.1.10 <u>Approval to Sponsor 3rd Annual Inland Empire Transportation & Logistics Summit RC Attachment</u>	48	
3.2 <u>Receive & File</u>		
3.2.1 <u>FY 2004-2005 OWP Administrative Amendment RC Attachment</u>	59	
3.2.2 <u>Contracts & POs between \$5,000 - \$25,000 RC Attachment</u>	60	
3.2.3 <u>Conflict of Interest Listing RC Attachment</u>	62	
3.2.4 <u>SCAG Legislative Matrix RC Attachment</u>	63	
4.0 <u>ACTION ITEMS</u>		
4.1. <u>FY 2005-2006 Overall Work Program (OWP) Schedule RC Attachment</u>	Janet Henderson Sr. Regional Planner	76
Recommended Action: Approve		

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AUGUST 5, 2004



ADMINISTRATION COMMITTEE

AGENDA

- | | | <i>PAGE #</i> | <i>TIME</i> |
|------------|--|--|-------------|
| 4.0 | <u>Action Items – Cont'd</u> | | |
| 4.1.2 | <u>Authorize Executive Director to Terminate TranStar License Agreement With the Partnership and Enter Into Appropriate Agreements Including a MOU With the CTCs to Finally Dispose of the Rideshare and TranStar Programs and Assets</u> RC Attachment | Karen Tachiki
Chief Counsel | 78 |
| | Recommended Action: Approve | | |
| 5.0 | <u>INFORMATION ITEMS</u> | | |
| 5.1 | <u>Monthly Financial Report</u>
RC Attachment | Heather Copp, CFO | 182 |
| 5.2 | <u>Report on Professional Pathways</u> | Debbie Dillon
Supervisor, HR | |
| 5.3 | <u>CFO Staff Report</u> | Heather Copp, CFO | |
| 6.0 | <u>AUDIT/BEST PRACTICES SUBCOMMITTEE</u> | Councilmember
Sidney Tyler, Jr. | |
| 7.0 | <u>FUTURE AGENDA ITEMS</u> | | |
| | Any committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three minutes. | | |
| 8.0 | <u>ANNOUNCEMENTS</u> | | |
| 9.0 | <u>ADJOURNMENT</u> | | |

The next meeting is schedule for Thursday, September 2, 2004 at the SCAG Offices downtown Los Angeles.
Admin. Comm. Agenda – Salcido 07/15/04 - DOCS #101064

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Administration Committee Minutes

June 3, 2004

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ADMINISTRATION COMMITTEE. AUDIO CASSETTE TAPES OF THE MEETING ARE AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Administration Committee of the Southern California Association of Governments held its meeting at the Temecula Creek Inn, 44501 Rainbow Canyon Road, Temecula, CA 92592. The meeting was called to order by the Chairperson, Councilmember Richard Dixon, City of Lake Forest. There was a quorum.

1.0 CALL TO ORDER

Chairman Richard Dixon called the meeting to order at 9:10 a.m.

Committee Members Present:

Councilmember William Alexander	City of Rancho Cucamonga
Mayor Pro-Tem Harry Baldwin	City of San Gabriel
Councilmember Ron Bates	City of Los Alamitos
Mayor Richard Dixon	City of Lake Forest
Mayor Lee Ann Garcia	City of Grand Terrace
Supervisor Hank Kuiper	County of Imperial
Mayor Ron Loveridge	City of Riverside
Councilmember Keith McCarthy	City of Downey
Councilmember Pam O'Connor	City of Santa Monica
Councilmember Bev Perry	City of Brea
Mayor Ron Roberts	City of Temecula
Councilmember Dennis Washburn	City of Calabasas
Councilmember Toni Young	City of Port Hueneme

Committee Members Absent:

Mayor Pro-Tem Mike Dispenza	City of Palmdale
Councilmember Alta Duke	City of La Palma
Supervisor Judy Mikels	County of Ventura
Mayor Pro-Tem Greg Pettis	City of Cathedral City
Mayor Pro Tem Bea Proo	City of Pico Rivera
Councilmember Sidney Tyler	City of Pasadena
Councilmember Bob Yousefian	City of Glendale

Staff Present:

Heather Copp	Chief Financial Officer
Charlie Wagner	Acting Manager of Finance
Ed Paul	Internal Auditor

Others Present:

Zahi Faranesh	SCAG
David Huang	SCAG
Ed Jones	SCAG Liaison
David Sosa	Caltrans

Others Present (Cont'd):

Jim McCarthy	Caltrans
Lynn Harris	SCAG
Cheryl Collier	SCAG
Don Rhodes	SCAG
Alan Bowser	SCAG
Arnold San Miguel	SCAG
Huasha Liu	SCAG
Barbara Dove	SCAG
Ping Chang	SCAG
Ty Schuiling	SANBAG
Pablo Gutierrez	SCAG
Mark Pisano	SCAG
Catherine McMillan	CVAG
Sandee Scott	SCAG

2.0 PUBLIC COMMENT PERIOD

No public comments.

3.0 CONSENT CALENDAR

Councilmember Bev Perry requested that Item 3.1.5 be pulled for a report.

The remainder of the Consent Calendar was MOVED (Councilmember Bev Perry), SECONDED (Councilmember Washburn) and UNANIMOUSLY APPROVED.

3.1 Approval Items

3.1.1 Approval of May 6, 2004 Minutes

3.1.2 Contracts

- National Engineering Technology Corporation (NET)
- Rafiq & Associates

3.1.3 Approve New MOU with Riverside Transit Agency for ITS Transit Project

3.1.4 Approve Joint Meeting with Santa Barbara County Association of Governments to be held in July 2004

3.1.5 Consideration to Adopt Master Fund Transfer Agreement

Regarding Item 3.1.5, Karen Tachiki, Chief Legal Counsel, reported that SCAG receives its CPG funding from Caltrans through the vehicle of a Master Fund Transfer Agreement. Caltrans began an effort late last year to update the Master Fund Transfer Agreement. SCAG provided written comments objecting to a number of the provisions. There was no response to SCAG's comments. Two weeks ago SCAG received the new Master Fund Transfer Agreement for execution and a 30-day notice to terminate the existing Agreement. SCAG responded to Caltrans raising its concerns that provisions had not been changed as requested, as well as concern with the process of updating the Agreement.

SCAG received a fax today from Caltrans in response to our letter of concern, indicating they are willing to make at least some changes and that they are willing to further discuss the termination provision.

Staff is recommending that the Administration Committee authorize the Executive Director to continue discussions and negotiations with Caltrans, make the best deal possible, and authorize to execute the Master Fund Transfer Agreement. If SCAG does not have an Agreement in place by July 1, 2004, we cannot receive our CPG funds.

Jim McCarthy, Caltrans, stated that they are willing to negotiate the provisions of concern and that the new Master Fund Transfer Agreement is being done statewide to bring their contracts up to state contract requirements and implement the Congressional Register.

Item 3.1.5 was MOVED (Councilmember Bev Perry), SECONDED (Councilmember Dennis Washburn) and UNANIMOUSLY APPROVED, with the recommendation of Karen Tachiki.

3.1.6 Adopt Resolution #04-453-1 Authorizing Executive Director to Delegate Authority to the Deputy Executive Director

3.1.7 Authorization to Execute MOU between SCAG & Calif. State University LA (CSULA) for grants awarded to CSULA by the FTA

3.2 Receive & File

3.2.1 Contracts & PO's between \$5,000-\$25,000

3.2.2 Conflict of Interest Listing

3.2.3 SCAG Legislative Matrix

3.2.4 Key Issues From Policy Committees Meeting on May 6, 2004

4.0 ACTION ITEMS

4.1 Administration Committee Report

4.1.1 Legal Services Contract

Councilmember Bev Perry informed the Committee that there will be a complete look at all of SCAG's legal services by the Executive Committee and a full report will be made to the Committee.

Councilmember Ron Bates added that it is important for a smooth transition in terms of which legal counsel has responsibility for which function and how SCAG will work with Colin Lennard to get outside representation, if necessary.

The item was MOVED (Councilmember Bev Perry) and SECONDED (Councilmember Lee Ann Garcia) and UNANIMOUSLY APPROVED.

4.2 Authorize Executive Director to Enter Into Contracts Utilizing General Fund Money Up To \$20,000 for Additional Legal Services to Draft Bill Language

Heather Copp, CFO, reported that this would authorize the Executive Director to enter into contracts utilizing General Fund money, up to \$20,000 for additional legal services to draft language for some bills that we do not have the expertise to do. These bills relate to Regional Authority for Investment and Transportation at the State Level and deployment grant language to the TIFIA bills and Tax Credit language at the Federal level. This will not affect other programs at SCAG.

The item was MOVED (Mayor Toni Young) and SECONDED (Councilmember Lee Ann Garcia) and UNANIMOUSLY APPROVED.

5.0 INFORMATION ITEMS

5.1 Monthly Financial Report

Heather Copp informed the Committee that the Caltrans ICAP Audit went very well and we have made significant improvements. The report is due within the next couple of weeks.

SCAG has received its first dues money from the City of La Habra Heights.

For the year-end status, SCAG has a positive cash flow and significantly less in Line of Credit outstanding status. Through the end of May, SCAG will have a positive cash flow status of @\$1.6 million and through the end of June, @\$1.4 million.

5.2 Presentation on Office Space Enhancements

Cheryl Collier presented the report and provided a PowerPoint presentation.

5.3 Presentation of Results from the Data Needs Survey

Huasha Liu presented the report and provided a PowerPoint presentation.

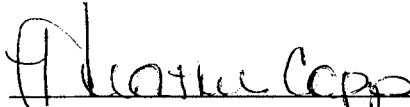
6.0 FUTURE AGENDA ITEMS

- "Watch the Road"
- Succession Planning

7.0 ANNOUNCEMENTS

8.0 ADJOURNMENT

Chairman Richard Dixon adjourned the meeting at 10:00 a.m.



Heather Copp, Chief Financial Officer
Staff to the Administration Committee